



### Euphoria in Lyon as France Wins the Davis Cup

The French Davis Cup players, Guy Forget, left, waving the French flag, and Henri Leconte, after winning the Davis Cup tennis final Sunday in Lyon. Forget beat Pete Sampras to give France an unbeatable 3-1 lead over the U.S. team. Page 17.

## Israeli Ministers, Denouncing U.S., Stand by Shamir

Washington Post Service

**JERUSALEM** — The Israeli cabinet decided Sunday not to alter its refusal to attend peace talks with Arab states in Washington on Wednesday, and government ministers continued to express outrage over what they said was heavy-handed brokering of the negotiations by the United States.

The cabinet's decision came after Prime Minister Yitzhak Shamir reported at its weekly session that the Bush administration had not made any concessions to Israel's demands about the procedure of the talks during negotiations over the last two days.

According to army radio, Mr. Shamir told the cabinet during the three-hour session that Israel would hold to its position that it will not be prepared to begin talks until next week, "at least until it receives clarifications or further appeals from the U.S. administration."

Some officials said that a last-minute compromise was possible, noting that Israel's chief diplomatic spokesman, Benjamin Netanyahu, was to leave for Washington this week, possibly accompanied by officials who could be available for the talks on Wednesday.

But Mr. Shamir's leading aide, Yossi Ben-Aharon, who is head of the team negotiating with Syria, denied that these officials would attend the talks and sharply denounced American handling of the process.

"The way the thing is being conducted by the United States very much bothers us and outrages us," Mr. Ben-Aharon told army radio. "We see that the Arab states, the Arab elements with whom we must conduct negotiations, have the im-

pression the United States is on their side."

The cabinet's decision appeared to strengthen the possibility that Israel will be the only party absent when the United States convenes the talks, which are supposed to consist of separate bilateral negotiations between Israel and each of the other groups: Syria, Lebanon, and a joint Jordanian-Palestinian delegation.

All of the Arab parties have said they will appear for the sessions on Wednesday in Washington.

The tough Israeli stand was opposed by Foreign Minister David Levy, who warned that it would serve only to damage Israel's image by making it appear as the intransigent party in the peace process, officials said.

Mr. Levy, who has been the strongest advocate of the talks within the government, said that Israel was acting "out of anger rather than logic," and "treating marginal issues as if they were substantive." Israeli radio reported.

Mr. Shamir originally proposed the five-day delay in Israel's attendance at the talks because he was irritated about the move by Secretary of State James A. Baker 3d to send out invitations to the Washington sessions despite Israel's objections.

Mr. Baker acted shortly after meeting Mr. Shamir in Washington, but before Mr. Shamir could take his case to President George Bush.

Israel believes the talks should take place in or near the Middle East, not in Washington. Syria and the Palestinians originally proposed that the negotiations continue in Madrid, the site of the open-

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## Hostage Release Is Imminent, Kidnappers Say Group Cites Overall Deal, Israel Frees Arab Prisoners

By Jackson Diehl

Washington Post Service

**JERUSALEM** — Israel on Sunday released 25 Arab prisoners from a prison in southern Lebanon, and a Shiite Muslim group in Beirut said an American hostage, Joseph J. Cicippio, would be freed within 24 hours as part of a "comprehensive solution" to the problem of Middle East captives.

Israel's gesture and the statement by the Shiite group, the Revolutionary Justice Organization, raised expectations that the two other American hostages in Lebanon would be released soon.

[Syria said Sunday that it expected the last three American hostages to be free within a week. Reuters reported from Damascus.]

"We expect American hostage Joseph Cicippio to be freed tomorrow," a senior Foreign Ministry official said. Syria expected the other two American hostages to be freed by Sunday, he added.

Israeli officials said they had reason to hope that the deal would include the freeing of hundreds more Arab prisoners in Israel in exchange for Israeli servicemen missing in Lebanon, or their remains.

The statement by the Revolutionary Justice Organization said that following talks mediated by the United Nations, "positive results and a comprehensive solution have been reached to close this file once and for all in a manner that will accomplish the interests and demands of all sides."

The message was accompanied by a photograph of Mr. Cicippio, according to news agency reports. Mr. Cicippio, 61, was the comptroller of the American University of Beirut when he was abducted on Sept. 12, 1986.

Mr. Cicippio would be the seventh Western hostage to be released since Javier Pérez de Cuellar, the UN secretary-general, began an initiative to free Middle East captives last summer. Israel has released 131 Arab prisoners as part of the process.

A UN envoy, Giandomenico Picco, met Sunday in Damascus with Foreign Minister Farouk Shara to deliver a message thank-

ing Syria for its role in the initiative, news agencies said.

In addition to Mr. Cicippio, the Americans being held by Lebanese Shiite groups are Alann Steen, a journalism instructor at Beirut University College, and Terry A. Anderson, chief Middle East correspondent for The Associated Press. An Italian and two Germans are also missing in Lebanon, although it has been unclear if they would be included in any general exchange.

On the surface, Israel's release of prisoners Sunday was unusual because it did not come in response to any specific concession by Lebanese groups on missing Israelis. Israel is still seeking information on four missing servicemen, and strongly suspects that one, Ron Arad, an airman, may be alive.

However, officials here hinted that the government had received indications from the United Nations that it would soon receive information on the airman, as well as the remains of the two soldiers confirmed killed.

"We hope as a result of the initiative of the secretary-general we will not just know more but we will be able to close this chapter," said Uri Luviani, Israel's chief hostage negotiator.

"It's possible to assume that they are talking about an all-encompassing deal that also includes us," he said.

The developments come as a relief to Israeli officials, who feared that Iran and the Lebanese groups it backs had decided to exclude Israel's Arab prisoners and missing servicemen from bargaining in connection with the hostages.

When two hostages, including the Anglican church envoy Terry White, were released two weeks ago, statements from Iran and the Hezbollah organization in south Lebanon said the link to Israel had been eliminated.

Sources said Israel on Sunday also provided a videotape to the United Nations of Sheikh Abdel Karim Obeid, a Shiite cleric abducted by Israel in southern Lebanon in 1989 in an effort to obtain leverage for a prisoner exchange.

## Soviet Disunion: Yeltsin and Ukraine Accelerate the Process

By Serge Schmemmann

New York Times Service

**MOSCOW** — Quietly assuming control over the Kremlin's purse-strings this weekend, Boris N. Yeltsin effectively made the vestiges of central Soviet authority an extension of his Russian government.

The move seemed almost routine after the torrent of shock and high drama since the collapse of the Kremlin coop 14 weeks ago—a "working meeting" between Presidents Yeltsin and Mikhail S. Gorbachev, a brief communiqué announcing the satisfactory resolution of the latest financial crunch.

Yet, the surrender of financial control to Russia effectively means the end of whatever lingering auton-

omy and authority Mr. Gorbachev's battered government still had.

That, coinciding with what was shaping to be an overwhelming vote in the Ukraine for independence, confirmed what had become increasingly clear all through November: that the "Soviet Union" that Mr.

### NEWS ANALYSIS

Gorbachev had struggled so hard to retain was little more than a label of convenience until Russia, the Ukraine and their neighbors sorted out their increasingly separate fates.

The developments seemed to open a new chapter in the extraordinary saga of the disintegration of the

world's largest empire. It was a measure of the unforeseeable directions things have taken that an event that would have roused anxiety and consternation only a month ago—the transfer of central control to Mr. Yeltsin's Russian Republic—now came almost as a relief.

Somewhere in the chaotic events of the past month—in the growing awareness that the Ukraine was inexorably headed for independence in the bankruptcy of the central government, in Mr. Yeltsin's increasing readiness to assume the debts and responsibilities of the old center and in his impatience to launch changes—it became evident that the center was failing to hold, but that this might not be as catastrophic as Mr. Gorbachev made it out to be.

Whether Mr. Yeltsin planned this is moot. But by waiting until the central government was on the brink of default in its foreign debt and unable to meet its internal payroll, he ensured that his assumption of these responsibilities would be greeted abroad, at home and among republics that still have sizable all-union institutions.

The catalyst, however, was less Mr. Yeltsin's ambition than the Ukraine, the huge republic whose simmering national aspirations have long figured as a threat to the Soviet empire. Both Mr. Gorbachev and Mr. Yeltsin last week reiterated a truth long familiar in

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## As First Step, U.S. Will Send Special Envoy to Kiev

By Thomas L. Friedman

New York Times Service

**WASHINGTON** — The Bush administration plans to appoint a special envoy to the Ukraine, assuming that its vote for independence Sunday passes and is certified by election observers as free and fair, according to administration officials.

The move would be the first in what could be a lengthy diplomatic process that administration officials expect will end with U.S. recognition of the Ukraine as an independent country.

Administration officials said

that the White House planned to issue a lengthy, delicately balanced statement on Monday or Tuesday making clear that it welcomed the Ukrainian independence vote, but that it was not going to rush immediately to formally recognize independence and open an embassy in Kiev, as it is doing with the newly independent Baltic republics.

The officials said the White House statement would say that an envoy was being appointed to meet with the Ukrainian leadership on concerns that Washington hopes can be satisfied before it extends formal diplomatic recognition.

Administration officials hope that if the Ukraine can be induced to address these issues, it will ease concerns in the United States and Western Europe about nuclear

Voters in the Ukraine opt overwhelmingly for independence, according to early reports. Page 2.

weapons based on Ukrainian soil, and also calm the concerns of Russia and other republics.

Administration officials said that the special envoy would focus on three broad areas of discussion with the Ukrainians.

First will be human rights, but in particular Washington will seek assurances about the treatment of members of minority groups in the Ukraine, where 11 million of the 52 million people are ethnic Russians. It will ask for assurances that an independent Ukraine will respect international boundaries, and boundaries with other Soviet republics.

"Our concern is that any changes in borders will be negotiated peacefully," a senior official said. Second, the American envoy will ask the Ukrainians to adhere to the recently signed conventional arms

reduction treaty and Strategic Arms Reduction Treaty, as well as Soviet obligations under the Nuclear Nonproliferation Treaty and the Biological Weapons Convention. Washington also wants the Ukraine to agree either to destroy the nuclear weapons on its soil or put them under a single unified command with other republics.

Third, the envoy will bring up economic matters. In particular, Washington will discuss how to expedite the introduction of free-market changes, free and fair trade with other republics and the outside world, and debt obligations.

## Oxford Takes a Snapshot Of Words, Nerkyish or Not

By Eleanor Blau

New York Times Service

**NEW YORK** — Dweebs and dinks have made it, and whoopies are in as well. They are among more than 2,000 words and phrases that have come into wide use since 1980 and that have been enshrined—at least for now—in the Oxford Dictionary of New Words, a 322-page volume being published Thursday by the Oxford University Press.

More than half the entries are American, with subjects from drugs to business, health to music. Tiny drawings indicate the field of each: a tree for the environment, a computer terminal for science and technology, an explosion for war and weaponry.

It is the first such work by Oxford. Unlike the revered Oxford English Dictionary, the new book goes beyond etymology by reporting the cultural changes that prompted this or that coinage.

Take *woopie*, a yuppie-inspired epithet for a well-off older person. Woopies have been on the increase in Western societies, the dictionary notes. Hence their significance as consumers.

In fact, these people rate other entries. You can also call them

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Ukrainians in Kiev registering to vote Sunday in the Ukraine's referendum on independence.

## Early Rounds in a Rape Trial

...to be unveiled here Monday in the trial of William Kennedy Smith, a 31-year-old member of the Kennedy family, in a case involving a rape of a 17-year-old girl in Palm Beach, Fla., in 1989. The trial is the most publicized case of sexual abuse in the family's history. The trial is expected to last several weeks. The defense team, led by attorney Johnnie Cochran Jr., is expected to argue that the girl was a prostitute and that the rape was consensual. The prosecution, led by attorney Robert Shapiro, is expected to argue that the rape was non-consensual. The trial is expected to be a major event in the Kennedy family's history.

## Kiosk

### Failed Unit Forces Atlantis to Land

**EDWARDS AIR FORCE BASE, California (AP)** — The space shuttle Atlantis returned home with six astronauts on Sunday, ending a short mission cut short by a failed navigational unit. NASA shortened the mission by three days after a navigational unit failed on Saturday.

### General News

South Africa political parties agreed on a plan for establishing a new constitution. Page 7.

Crossword Page 5. Weather Page 2.

## Tokyo to Apologize for World War II

**TOKYO** — The lower house of the Japanese Diet will mark the 50th anniversary of Japan's attack on Pearl Harbor during World War II by apologizing to former enemies, it was reported Sunday. But in Washington on Sunday, President George Bush ruled out any apology to Japan for the World War II atomic bombings of Hiroshima and Nagasaki, saying the bombings saved countless American lives. On Dec. 7, the United States will commemorate the 50th anniversary of the 1941 Japanese attack on Pearl Harbor that propelled the United States into the war. The two countries are doing much soul-searching in connection with the event.

There have been some suggestions in the United States that Japan owes an apology for Pearl Harbor and that a good time to do it would be at the anniversary ceremonies in Hawaii, which Mr. Bush is to lead. Mr. Bush, who was shot down by the Japanese while piloting a Navy Avenger torpedo bomber in the Pacific, reacted strongly when told by a television interviewer that some of the Japanese leadership wanted the United States to apologize. "For what?" he asked, in a taped interview broadcast by ABC News. Told it was for the destruction of Hiroshima on

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## East European Rescue: Tourists' Cash

Geoffrey H. Lipman, president of the World Travel and Tourism Council, told the 24-nation Organization for Economic Cooperation and Development last week that tourism could help rescue the former Soviet bloc from its economic quagmire. He discussed the ideas of the council, which represents airlines, hotel groups and major travel organizations, with Barry James of the International Herald Tribune.

Q. Anyone who has traveled in the Soviet Union knows how primitive it can be. Aren't you being overoptimistic?

A. Our goal is not short-term. We recognize that conditions are bad, but this gives us an opportunity to show how big the potential is. Q. But don't these countries, particularly the Soviet Union, lack a tradition of service?

A. Yes — as far as the Soviet Union is concerned, it is zero. But the states of Eastern Europe have started to take steps, and the Baltic republics have been making a conscious effort to improve for the past year.

Q. Don't you hear criticism that when countries are facing economic collapse and possible food shortages, tourism seems rather frivolous?

A. We always hear that refrain. Our organization was established to counter that particular misperception. The travel and tourism industry, if you look at their impact through the economy, represents 5.5 percent of gross national product on average in the world and provides one in every 15 jobs. So it is not

flippant, but a very fundamental economic activity. Growth of travel and tourism in Eastern Europe and the Soviet Union could represent tens of billions of dollars — and that's earnings, not aid. We would therefore like the aid programs now being formulated to target some money specifically toward promoting travel and tourism.

Q. How soon would investment made now produce results?

A. It would start generating foreign exchange as soon as people started traveling — in fact, travel and tourism produce foreign exchange faster than almost any other activity.

### MONDAY Q&A

ty, with less potential for trade disputes than trade in goods. Investment would improve work-force skills and provide an abundance of entry-level jobs that don't require technical skills but offer good career challenges and prospects. And it would help improve the infrastructure, such as airports, railways and hotels, that will serve the economy as a whole.

Q. There is already tremendous competition for the tourist dollar. How will you get people to go to Omsk or Tomsk when they can go to Mauritius for possibly less?

A. I think that the potential growth of our overall market leaves room for both Mauritius and places like St. Petersburg, Budapest or Warsaw, which are very beautiful with great museums and the kind of cultural things that people want to see. There is also a lot of

opportunity for visiting friends and relatives, the kind of tourism that was very popular in the Western world in the late 1950s and 1960s and has now declined somewhat as a share of the total market.

Q. What is needed to make travel and tourism take off?

A. We need investment incentives to facilitate ownership of businesses or participation in joint ventures, with the easy ability to repatriate funds and reasonable tax benefits. Private capital is not going to flow unless it can have this freedom to operate. Next we need to eliminate the barriers that prevent people moving, such as visa and border controls, or having to work through monopolistic state travel agencies such as Intourist.

Q. In other words, you want Western governments to put pressure on Eastern governments to make these changes?

A. Absolutely. I believe they must also agree to underwrite investments in travel and tourism as loans, not aid.

Q. Won't tourism foment resentment in some of those societies? Russians, for example, get mad enough already when they have to wait for everything while people with dollars can immediately command the best.

A. You can't avoid that reality. Those countries need the hard currency, and they will have to be very sensitive to foreign tourists. Yet one way you can help eliminate the feelings of resentment you mention is to facilitate the free movement of people. And as people begin to get disposable income, they will want to use it in the same way that we use it in the West.

## First Reports Show Ukrainians Voting Massively to Secede

By Francis X. Clines

New York Times Service

KIEV — Voters in the Ukraine were reported to be registering overwhelming approval Sunday of an independence declaration to take the republic irreversibly out of the Soviet Union and create a proud new nation of 53 million people.

While the first official results were not promised until Monday, election district managers were unofficially estimating a conclusive, enthusiastic majority favoring independence.

The vote for the republic's departure quickens the collapse of the Soviet Union's central structure. This prospect has elicited repeated warnings and complaints from President Mikhail S. Gorbachev.

The hall of the Ukraine's fate began with a preamble about the "mortal danger" posed by the Kremlin coup attempt in August. The ballot then asked, "Do you support the declaration of independence of the Ukraine?" Voters had to choose between "yes" or "no."

Apart from self-pride and a sense of fresh opportunity, independence will leave Ukrainians with the same haunting problem of how to engineer economic resurrection from the ashes of Communist dictatorship.

"What else can we do but vote for independence?" asked Alexander Yashchenko, 27, who works as a driver. He grimaced that it would take 10 years even in an independent Ukraine before the economy improved significantly.

For his daughter, now two years old, "Hard times are coming, no doubt, but we'll get through better this way."

Ukrainian television news said that there were high turnouts in most regions and that a positive referendum result was not in doubt.

"A majority are for independence from their heart and soul," one newscaster declared. The first sketchy result came from Odessa, where Ukrainian television reported that 90 percent of Black Sea merchant sailors were voting for independence. Earlier opinion polls were predicting that about 75 percent of the vote across the republic would favor independence.

No clear results were available on the second ballot question, the election of a president. Leonid M. Kravchuk, the Communist Party chief who converted to nationalist politics this year and survived as republic leader, was unofficially rated to come in first.

But election district managers

said that it was unclear whether he was polling more than 50 percent of the vote needed in the six-candidate field to take the election on the first ballot. If not, a Dec. 15 runoff would be needed between the top two finishers. Most estimates were that the runner-up challenger would probably be Vyacheslav Chornovil, a leading Ukrainian nationalist who served prison time as an anti-Communist dissident.

"Even here in the old Bolsheviks' neighborhood, the vote is probably better than 50 percent for independence," said Ivan Seryak, manager of the 4th Kiev Election District in the fashionable hill-top center of Kiev where Communist apparatchiks long have lived. "This is the day for the people to pour out their will."

When he counted the vote in the district after the polls closed, Mr. Seryak was delighted that a booming 85 percent were in favor of independence, and only 12 percent opposed. Mr. Kravchuk received 61 percent of the presidential ballot in this old party district, while Mr. Chornovil drew 19 percent.

The vote was heaviest in western Ukraine, where nationalism is most fervent because of the region's history in having been taken into the Soviet Union mainly from Poland during World War II. The vote was lightest in ethnic Russian areas in the east and south, but even there officials were predicting majorities in favor of independence.

■ U.S. Envoy Speaks Out

The U.S. ambassador to Moscow said Sunday that Washington would not immediately recognize the Ukraine as an independent country, Reuters reported from New York.

But Ambassador Robert S. Strauss predicted that the Soviet Union, which he said was economically "somewhere between unbelievably poor and worse," would be an entirely different kind of association within a year.

In a wide-ranging interview from Moscow with CBS television, Mr. Strauss called the Soviet Union "a young democracy that is fighting and trying to find itself."

U.S. recognition of the Ukraine within a few days of the independence referendum, he said, "in my judgment, just won't happen."

Asked about the future shape of the country where he is posted, Mr. Strauss said: "I personally think that six months, 12 months from now there will be a union. It will be an entirely different union from what you've seen in the past."

## WORLD BRIEFS

### Bush Challengers to Reveal Plans

WASHINGTON (WP) — David Duke, the Louisiana state representative and former Klansman, who lost the gubernatorial runoff in a landslide last month, and Patrick J. Buchanan, the conservative television commentator and columnist, have set the dates for their presidential announcements.

Mr. Duke has scheduled a news conference here Monday morning to outline his intentions, with expectations that he will say that he plans to challenge President George Bush in a series of Southern primaries early next year. An associate said that Mr. Duke, who has exposed pro-Nazi views in the past, will run in seven Southern primaries.

Mr. Buchanan, who represents another challenge to Mr. Bush from the right, will announce Dec. 10 whether he will enter the Republican primaries. He is expected to take on Mr. Bush in New Hampshire, the site of the first U.S. primary.

### Time Bomb Found on Air-India Jet

NEW DELHI (Reuters) — A time bomb was found in a food trolley of a packed Air-India jetliner Sunday minutes before it was to leave for London and New York, airline officials and police said.

The Boeing 747, carrying 398 passengers and 18 crew members, was evacuated after a steward found "a foreign object" during routine preflight checks, the airline said. The police said that it was a time bomb and that they had defused it.

In 1985, an Air-India flight from Toronto to Bombay exploded off the Irish coast, killing all 329 people aboard. Investigators blamed Sikh militants, but no arrests were made. Sikh militants kidnapped a Roman Catholic diplomat in New Delhi in October and demanded the release of three imprisoned militants in return for his freedom. The government refused to negotiate and the diplomat was released unharmed last week.

### Maxwell's Yacht and Crew Released

MADRID (AP) — The judge investigating the death of the publisher Robert Maxwell has allowed his yacht and crew to leave the Canary Islands, an apparent indication she has not found any evidence of foul play, the newspaper El Pais said Sunday.

El Pais said that the investigating magistrate, Isabel Oliva, lifted the order after receiving the results of laboratory tests on tissue samples from Mr. Maxwell's body. The newspaper said the boat left the same day for its base on the Mediterranean island of Majorca.

The 11-member crew of the Lady Guislaire had remained in Tenerife since Mr. Maxwell's body was pulled from the Atlantic on Nov. 5, hours after they had reported him overboard. Pathologists who performed the autopsy on the body indicated this week that the lab tests supported their preliminary finding that Mr. Maxwell, 68, died from natural causes, probably some kind of cardio-respiratory attack that struck him on deck.

### Khmer Rouge Seek UN Protection

PATTAYA, Thailand (AFP) — The Khmer Rouge is asking that United Nations peacekeeping forces protect its representatives in Phnom Penh, the leader of an allied group said Sunday.

Prince Norodom Ranariddh, son of Prince Norodom Sihanouk and leader of a non-Communist guerrilla faction that has fought with the Khmer Rouge against the Cambodian government, did not specify the degree of UN involvement the Khmer Rouge wanted. There are about 200 UN troops in Cambodia.

The request came after two Khmer Rouge leaders, Khieu Samphan and Son Sen, were forced to flee Phnom Penh on Wednesday when an angry mob attacked their quarters. Mr. Khieu Samphan was beaten and nearly lynched.

### Kohl Aide Urges Immigrant Quotas

BOON (NYT) — A newly appointed aide to Chancellor Helmut Kohl says she favors opening Germany to immigrants by establishing annual quotas like those in the United States.

"Our people like to say that Germany is not a country for immigrants, so they react against the idea of quotas," said Cornelia Schmalz-Jacobson, who took office last week as Mr. Kohl's chief adviser on matters relating to foreigners. "But the fact is that now we are receiving immigrants in an uncontrolled flow. If we regulate the flow, that will be better for everyone."

This suggestion contradicts Mr. Kohl's official policy. The chancellor supports the right of foreigners to come to Germany if they are politically persecuted at home, but not for other reasons.

## TRAVEL UPDATE

### French Dockers Strike Slows Traffic

PARIS (Reuters) — Traffic was disrupted at several major French ports on Sunday when dockers launched a national strike against government plans to end an effective monopoly held by the Communist-led CGT union.

Officials said traffic was paralyzed at Marseille, Boulogne and Dunkirk. Traffic across the English Channel continued through Calais, officials said. The strike is due to last until Thursday.

### This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Central African Republic, United Arab Emirates.

TUESDAY: United Arab Emirates.

THURSDAY: Haiti, Thailand.

FRIDAY: Ecuador, Finland, Spain.

SATURDAY: Ivory Coast.

Source: J.P. Morgan, Reuters.

### The Weather

Forecast for Tuesday through Thursday



Legend: ☁️ Partly Cloudy ☀️ Sunny ☁️☁️ Overcast ☔ Rain ❄️ Heavy Snow

### North America

The Great Lakes region will turn very cold by mid-week. Snow or sleet will fall Tuesday into Wednesday. Rain will soak the Northeastern states Tuesday, and, chilly weather will begin on Wednesday. California will remain dry.

### Europe

Thick fog will shroud parts of England, northern France, and the Low Countries at times through Thursday. Overall, northeastern Europe will remain calm. A storm with wind and rain will begin on Wednesday. Tuesday should remain south of Rome.

### Asia

Cool, mainly dry weather will last through midweek in Tokyo as Seoul remains chilly and dry. Clouds will gray Taipei into Wednesday, day along with some rain, and Hong Kong may have a few showers. Daily sunshine will warm Manila and Bangkok.

### Europe

City	Today	Tomorrow
Algeria	High 54 Low 34	High 54 Low 34
Amsterdam	High 48 Low 34	High 48 Low 34
Antwerp	High 48 Low 34	High 48 Low 34
Athens	High 64 Low 44	High 64 Low 44
Berlin	High 48 Low 34	High 48 Low 34
Bombay	High 74 Low 54	High 74 Low 54
Buenos Aires	High 64 Low 44	High 64 Low 44
Calcutta	High 74 Low 54	High 74 Low 54
Cairo	High 64 Low 44	High 64 Low 44
Cardiff	High 48 Low 34	High 48 Low 34
Chennai	High 74 Low 54	High 74 Low 54
Copenhagen	High 48 Low 34	High 48 Low 34
Dakar	High 64 Low 44	High 64 Low 44
Dhaka	High 74 Low 54	High 74 Low 54
Dublin	High 48 Low 34	High 48 Low 34
Frankfurt	High 48 Low 34	High 48 Low 34
Geneva	High 48 Low 34	High 48 Low 34
Hamburg	High 48 Low 34	High 48 Low 34
Helsinki	High 48 Low 34	High 48 Low 34
Istanbul	High 64 Low 44	High 64 Low 44
London	High 48 Low 34	High 48 Low 34
Los Angeles	High 64 Low 44	High 64 Low 44
Lyon	High 48 Low 34	High 48 Low 34
Madrid	High 64 Low 44	High 64 Low 44
Moscow	High 48 Low 34	High 48 Low 34
Munich	High 48 Low 34	High 48 Low 34
Nairobi	High 64 Low 44	High 64 Low 44
Paris	High 48 Low 34	High 48 Low 34
Rangoon	High 74 Low 54	High 74 Low 54
Rome	High 64 Low 44	High 64 Low 44
Sao Paulo	High 64 Low 44	High 64 Low 44
Seoul	High 54 Low 34	High 54 Low 34
Shanghai	High 64 Low 44	High 64 Low 44
Singapore	High 74 Low 54	High 74 Low 54
Taipei	High 64 Low 44	High 64 Low 44
Tokyo	High 54 Low 34	High 54 Low 34
Yokohama	High 54 Low 34	High 54 Low 34

### Asia

City	Today	Tomorrow
Algeria	High 54 Low 34	High 54 Low 34
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Antwerp	High 48 Low 34	High 48 Low 34
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Berlin	High 48 Low 34	High 48 Low 34
Bombay	High 74 Low 54	High 74 Low 54
Buenos Aires	High 64 Low 44	High 64 Low 44
Calcutta	High 74 Low 54	High 74 Low 54
Cairo	High 64 Low 44	High 64 Low 44
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Geneva	High 48 Low 34	High 48 Low 34
Hamburg	High 48 Low 34	High 48 Low 34
Helsinki	High 48 Low 34	High 48 Low 34
Istanbul	High 64 Low 44	High 64 Low 44
London	High 48 Low 34	High 48 Low 34
Los Angeles	High 64 Low 44	High 64 Low 44
Lyon	High 48 Low 34	High 48 Low 34
Madrid	High 64 Low 44	High 64 Low 44
Moscow	High 48 Low 34	High 48 Low 34
Munich	High 48 Low 34	High 48 Low 34
Nairobi	High 64 Low 44	High 64 Low 44
Paris	High 48 Low 34	High 48 Low 34
Rangoon	High 74 Low 54	High 74 Low 54
Rome	High 64 Low 44	High 64 Low 44
Sao Paulo	High 64 Low 44	High 64 Low 44
Seoul	High 54 Low 34	High 54 Low 34
Shanghai	High 64 Low 44	High 64 Low 44
Singapore	High 74 Low 54	High 74 Low 54
Taipei	High 64 Low 44	High 64 Low 44
Tokyo	High 54 Low 34	High 54 Low 34
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Legend: ☁️ Partly Cloudy ☀️ Sunny ☁️☁️ Overcast ☔ Rain ❄️ Heavy Snow

## Russia to Finance The Soviet Payroll

New York Times Service

MOSCOW — Faced with the imminent bankruptcy of the Soviet government, Boris N. Yeltsin, president of the Russian Republic, has agreed to finance the Soviet payroll in the immediate future and to guarantee sufficient credits to meet the minimal needs of the Kremlin.

The 11th-hour agreement was reached Saturday at a meeting of Mr. Yeltsin and his top economic advisers with the Soviet president, Mikhail S. Gorbachev, and the head of the Soviet State Bank.

Only a day earlier, the Russian Parliament had blocked an emergency request by the union government to issue another 92 billion rubles, and the governor of the State Bank, Viktor Geraschenko, said he had only enough money left to carry on for two or three more days.

The agreement, reached Saturday, marked a recognition by Mr. Yeltsin that, however keen his yearning to halt the continued and threatening expansion of rubles, it was simply not possible to choke off an all-out effort to prevent the still formally sustained a large portion of the national economy, ranging from the military to the scientific and academic establishment.

At the same time, Mr. Yeltsin's action underscored that real control over Mr. Gorbachev and his government had effectively shifted to the Russian government, which has signaled its intention to move ahead with radical economic changes with or without the rest of the former union.

Mr. Yeltsin confirmed that part of his new assertiveness was a response to the possibility that the Ukraine would go its own way after Sunday's referendum on independence. The thrust of Mr. Yeltsin's recent

policies has been to assume all the central functions and obligations that had not been specifically delegated to the central government, including the State Bank.

As of Sunday, the Ministry of Finance comes under Russian jurisdiction, and Mr. Yeltsin has announced his intention to close most other central ministries. In recent days, he has also agreed to finance Soviet diplomatic missions abroad, which were threatened by the central money crunch.

Officials said the agreement was also intended to prod other republics into footing their share of the central government's expenditures. Earlier last month, all republics except Russia had agreed to let the State Bank issue more money, apparently satisfied to let the Kremlin continue printing money to pay salaries inside the republics.

But Mr. Yeltsin's economic changes depend heavily on bringing the inflating ruble under control.

The announcement of Saturday's agreement gave few details. It said that Mr. Yeltsin and Mr. Gorbachev had agreed to closely coordinate their budgetary policies and to meet the Kremlin's fourth-quarter expenditures "on a consolidated basis."

Starting this week, Russian banks will lift controls on the exchange rate for the ruble, currently set at 47 to the dollar for tourists changing their money.

The Russian Information Agency reported that Russian banks would stop paying out any rubles other than salaries as of Monday, and that salaries would be frozen.

The agency also quoted a reliable source as saying that prices in Moscow would be fixed on Dec. 15, and in the rest of the republic on Jan. 1. The report could not be confirmed.

—SERGE SCHMEMANN

## Kremlin Funded U.S. Communists With Yearly Stipend of \$2 Million

New York Times Service

MOSCOW — Gus Hall, the head of the American Communist Party, received \$2 million a year from the Kremlin for his party until last year, when the party here began to collapse and Mr. Hall became a critic of Soviet liberalization, according to a Soviet editor working on a book about the Kremlin's underwriting of world communism.

Alexander A. Drosdov, editor of the newspaper Rossiya, said at a news conference that party records showed that the Communist movement in the United States had been regularly supported by the annual stipend, with an occasional supplement of \$1 million more.

Mr. Drosdov's assertions were the most detailed revelations offered thus far about the Kremlin's purported cash support of overseas parties. He said his estimate from reading the party records was that the Soviet party gave out a total of about \$4 billion to other national parties and political movements worldwide in the last 10 years. He did not give specifics.



BLANK PRESS IN LITHUANIA — A man in Vilnius displaying three Lithuanian newspapers that came out empty during the weekend because of a protest strike by newspaper workers. All main newspapers except those run by the government of the independent Baltic republic printed nothing except an address to the leadership protesting a new tax and alleged government pressure on the press.

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AMERICAN  
TOPICSUnmarried Couple  
Left Out in the Cold

A California state appeals court in Los Angeles has ruled that the religious rights of a Roman Catholic couple would be violated if they were forced by fair housing laws to rent an apartment to an unmarried man and woman.

The state Court of Appeal in Los Angeles ruled Wednesday that the landlords, John and Agnes Donahue, were entitled to an exemption from state anti-discrimination laws because of their "sincerely held religious belief that fornication and its facilitation are sins."

The court, in its 2-to-1 ruling, said that the state's interest in protecting unmarried couples from discrimination was of less consequence than the Donahues' right to free exercise of religion under the state constitution.

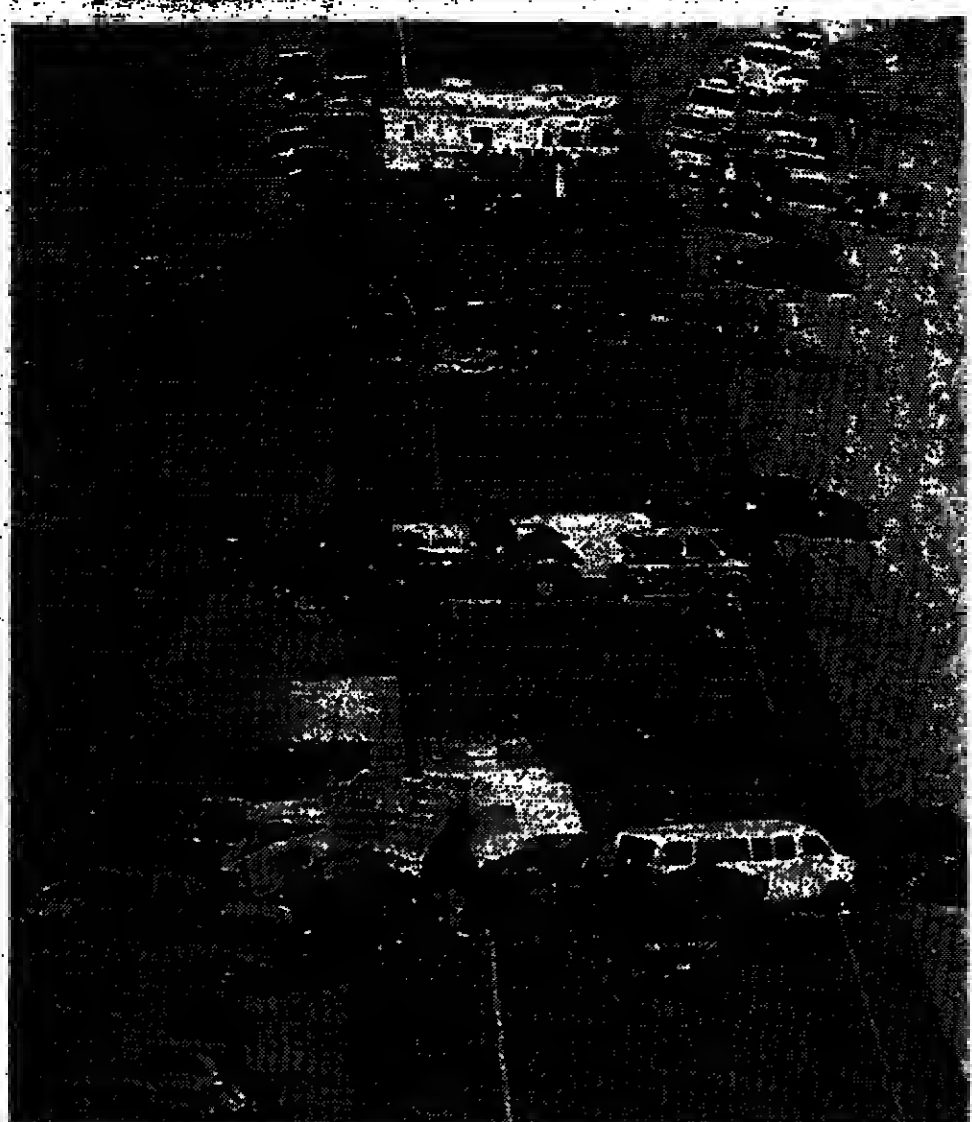
The court overturned a ruling by the California Employment and Fair Housing Commission against the Donahues. Deputy State Attorney General Kathleen Mikkelsen said the state would probably appeal.

The dissenting judge, Margaret Grignon, said the law didn't prevent the Donahues from practicing their religion. "They are engaged in secular, commercial conduct performed for profit," she wrote. "The statute does not require the Donahues to aid and abet sinners; it merely requires them to act in a nondiscriminatory manner toward all prospective tenants."

## Short Takes

A list of the 50 richest American Mafia bosses, known for their "wealth, power and influence," was published five years ago by Fortune magazine. At the time, 27 of them were free and 6 were out on bail. Now only 5 are still pursuing an unfettered life of crime while the others are in prison or dead, according to an Associated Press survey of criminal experts. Today, 8 are active, 23 are in prison, 9 are retired or inactive, 3 are out on bail, 6 are dead and one is a fugitive and may be dead. The average age of the 44 surviving mobsters is 69.

Chastity might and Dutch elm disease largely swept those two trees from the North American continent. Now the Eastern hemlock is severely threatened by the woolly adelgid (pronounced, uh-DEL-jid), a tiny insect that sucks a tree dry. Aerial spraying is ineffective and the bug has no known natural enemies. The Eastern hemlock, prevalent in the Eastern coastal states, grows best where sunlight is less strong. It is important for preventing erosion on steep, northward-facing slopes. "No other evergreen fills that bill," said Mark S. McClure, an expert. "The outlook is grim."



**DISASTER IN A CALIFORNIA DUST STORM**—Road crews working to clear the wreckage of at least 93 cars and 11 tractor-trailers from Interstate 5 near Coalinga, California. Vehicles collided in a dust storm caused by drought. Seventeen people were killed and 150 injured.

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A radio that displays the titles, composers and performers of songs as they are being broadcast has been invented by David Alwadish, a New York entrepreneur. The aim is to help those listeners who did not hear the announcer, or those with car radios who reach their destinations before the recording is identified on the air. The technology for transmitting written information along with music has long been available. But, Mr. Alwadish said, radio manufacturers are unlikely to make the new receivers unless radio stations broadcast the information, and broadcast-

ers may be unlikely to do that unless their listeners can pick up the signals.

Preview performances of Broadway and Off-Broadway plays, which are still being inked with and have yet to go through their formal First Nights with the critics in attendance, should be advertised as such. New York City authorities contend. They plan to fine transgressors \$500 for each ad, said Mark Green, the consumer affairs commissioner. Playgoers "should be put on notice when they are seeing a work-in-progress as opposed to a finished product," he said. Daniel Rumbilla, attorney for a theater association, said, "The next thing they'll be doing is to ask us to publish the bad reviews."

Why do some clock faces with Roman numerals use IIII instead of IV? Pat Jones, curator of the Watch and Clock Museum in Co-

lumbia, Pennsylvania, says that the most likely of various theories is that the IIII balances the VIII on the other side of the face. If the less-substantial IV were used, the clock face would look slightly lopsided.

## About People

Andrew H. Malcolm of The New York Times reports that in "the cavernous auditorium of Central High School" in Bridgeport, Connecticut, "the acoustics acoustics leave something to be desired."

Bobby Bowden, the Florida State football coach, when asked if discipline was the key to winning, replied, "If it was, Army and Navy would be playing for the national championship every year."

Arthur Higbee

## U.S. Experts See Surge of Sex-Bias Suits

By Seth Faison Jr.  
New York Times Service

NEW YORK — The civil rights act recently passed by Congress is likely to prompt a rash of new sexual discrimination lawsuits, labor experts say, because for the first time it gives employees bringing such lawsuits the right to cash damages and a jury trial.

At the same time, the prospect of more lawsuits — and more costly ones — is expected to cause employers to give greater emphasis to workplace programs for resolving disputes before they are brought to court.

Much of the debate over the new law focused on whether the bill involved racial quotas in hiring. The act overturned a 1989 Supreme Court decision that favored employers in disputes over whether a

company's work force adequately reflected the racial makeup of its applicant pool.

Yet labor law experts say the quarrel over quotas missed the much larger point of the law: the new legal rights it offers to people who contend that they have been the victims of sex discrimination.

Burke Marshall, a law professor at Yale University, said the new law's potential for cash damages "puts a bite in that wasn't there before."

The Civil Rights Act of 1964 allowed workers to sue over discrimination based on sex, race or disability but did not provide for jury trials or compensatory or punitive damages.

People contending racial discrimination have long been able to sue for damages under a separate law. So it is women charging sex discrimination who have gained most under the new act, experts say.

"The biggest impact of this bill is the danger of getting dragged into court by people with sex discrimination cases," said Mark de Bernardo, a Washington lawyer who represents employers. "As a practical matter, that's where the real change is."

The law's passage came shortly

after the confirmation hearings for Justice Clarence Thomas of the Supreme Court pierced the nation's consciousness about sexual harassment, which is now widely seen as a form of sex discrimination.

Lawyers say another likely effect of the hearings is to embolden more women to come forward with claims.

Robert Fitzpatrick, a Washington lawyer, said his firm was already looking at a handful of sex discrimination cases that would not have been filed before the enactment of the bill, and would now probably go forward. He estimated that thousands of cases would be brought before federal courts.

The act limits punitive and compensatory damages to \$50,000 for companies with fewer than 100 employees, and to a maximum of \$300,000 for the largest ones.

States such as California, Ohio and Michigan, whose existing state laws exceed the scope of the new federal law, have already seen large numbers of discrimination cases. The new federal act is likely to have more impact in states such as New York and Texas, whose laws are weak.

How companies will deal with the original intention of the civil rights act, to discourage discrimi-

nation from occurring in the first place, remains unclear.

In a time of economic retrenchment and cutbacks, companies are unlikely to want to spend much on the kind of training for their managers and employees that experts say is necessary to fight entrenched habits of race and sex discrimination.

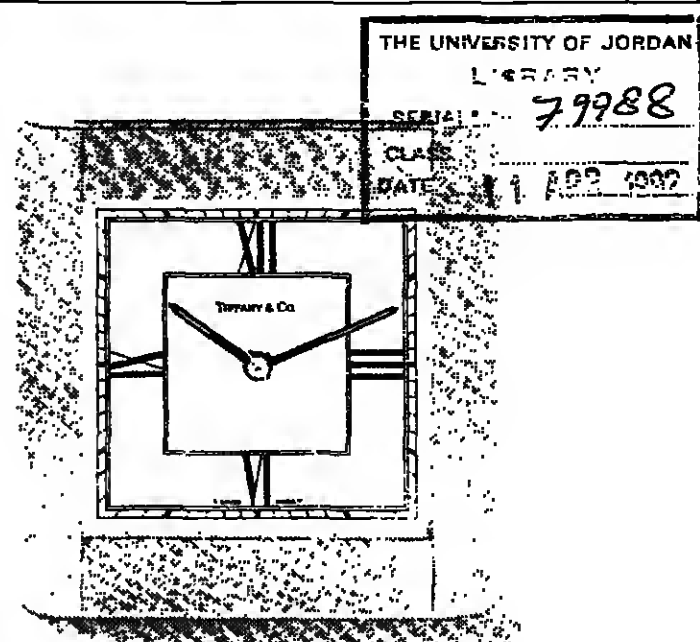
"They'll hand out a lot of directives on high," said Steve Ralston of the Legal Defense Fund for the National Association for the Advancement of Colored People, referring to senior executives. "But how far down that percolates, we'll have to wait and see."

Bush's Approval Rating  
Under 50%, in a First

Reuters

WASHINGTON — President George Bush's approval rating with Americans has fallen below 50 percent for the first time since he took office, according to a poll made public over the weekend by CNN and Time magazine.

The poll of 500 Americans conducted on Nov. 26 found Mr. Bush's popularity at 46 percent.



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# Herald Tribune

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## Fifty Years of Change

Fifty years ago next Saturday, America's world turned upside down. In a surprise attack on Pearl Harbor, Japanese warplanes destroyed or damaged 21 ships and killed 2,403 Americans. Shocked and unified by a calculated act of treachery, Americans within a week were at war across the globe. Pearl Harbor has left its imprint on all that has followed.

Most obviously, Pearl Harbor is shorthand for the direct sacrifice of the thousands of Americans who died, the millions who fought and the millions more at home who armed and fed a triumphant alliance. Yet beyond respect, this anniversary prompts reflection over what Pearl Harbor has meant for America, Japan and the world.

For Americans, Pearl Harbor ended the debate on remaining aloof from a turbulent world. Overnight, America the Invulnerable became America the Vincible. In 1926, President Calvin Coolidge had boasted: "Our borders are unfettered. We fear no one; no one fears us." Five years after Pearl Harbor, a former isolationist, Senator Arthur Vandenberg, spoke for a new consensus: "We learned that oceans are no longer moats around our ramparts. We learned that mass destruction was a progressive science which defies both time and space, and reduces human blood and flesh to cruel impotence." Before Pearl Harbor, the Departments of State, War and Navy fit in a single building next to the White House. Three years later, the world's largest edifice, the Pentagon, became the seat of a vast national security establishment.

For Japan, Pearl Harbor was a tactical triumph and a monumental strategic blunder. Misreading democratic debate as a sign of decadence, Tokyo's military dictators expected a war-weary America to sue for peace. So gross was their miscalculation that a post-war Japan eagerly embraced a U.S.-imposed constitution, disavowing off-limits wars. America, which once regarded Japan as incurably militarist, now feels obliged to press Japan to spend more money on its defense.

If America remembers Pearl Harbor, Ja-

pan cannot forget Hiroshima and the fire-bombing of Tokyo. Some resentful Japanese argue that victors write history, that war was merely forced upon their rulers by a U.S. oil embargo. Yet plans for Pearl Harbor had been mired long in advance, and in any case this appeal to history ignores Japan's own failure to teach the truth to its schoolbooks about a cruel war in China and the savage mistreatment of war prisoners and forced laborers.

Still, these failings are outweighed by Japan's rebirth as a free society and its unmatched generosity as a foreign aid donor. Americans who bide at Japan's commercial rivalry can only be grateful that it is not military. Japan's strength underscores the urgent counsel of former U.S. Ambassador Mike Mansfield to keep tending the world's most vital bilateral relationship.

For the post-colonial world, Pearl Harbor proved the unexpected prelude to liberation. When they overwhelmed European colonies, Japanese armies broke the imperial spell. When Winston Churchill learned of Pearl Harbor, he grasped at once that Hitler and Mussolini were doomed. "As for the Japanese, they would be ground to powder," he said. But he failed to grasp that India's freedom was also foreordained.

For American super patriots, Pearl Harbor was a cautionary tale. As hysteria gripped the West, 120,000 Japanese-Americans were detained as suspected saboteurs. Yet not a single case of sabotage was known to have occurred. It took almost 50 years for the United States to acknowledge a shameful wrong and to start paying \$1 billion in reparations.

And finally, for the world, Pearl Harbor assured the downfall of fascist tyranny and forged a democratic alliance that over time prevailed against Soviet tyranny. If Pearl Harbor brought about Hiroshima and the Bomb, it also led to the United Nations and the Universal Declaration of Human Rights. Pearl Harbor began more than a war; it began an era.

—THE NEW YORK TIMES.

## Still Starving in Africa

Not surprisingly, some groups working with the poor and suffering in Africa worry that food shortages in the Soviet republics and the need to help finance Israel's absorption of Soviet immigrants have cornered the American public's attention and monopolized much of the debate over the flow of U.S. foreign economic aid. These are not groundless concerns. The problems of the hard-hit republics and a million Soviet immigrants have commanded a wide audience in America, as expected. But, as the African relief organizations warn, the desperate needs of sub-Saharan Africa should not be relegated to a back seat. By reliable accounts, tens of thousands of people are now dying from starvation in southern Sudan, Ethiopia and Mozambique. In the worst of the African calamity, to be sure, is not the sole result of drought, poor harvests and natural disasters. Man-made civil strife is sharing in the blame for the destruction of grazing land, livestock and the physical infrastructure on which African life depends. The civil war in Somalia, for example, is producing the most horrendous disaster anywhere in the world, according to U.S. relief officials. And where natural misfortunes and

political instability have not caused human suffering, a good portion of Africa's misery and deprivation can be traced to economic mismanagement and corruption.

None of this, however, justifies a slackened response in Western relief efforts. Officials of the U.S. Agency for International Development's Disaster Assistance Office concede that the public's attention may be turned away from the African continent, but they insist that the government's relief effort has kept the misery of Africa in sharp focus. As an example, they cite the role of massive U.S. and other Western food aid in averting the great tragedy that was forecast for the Horn of Africa earlier in the year. Their major undertaking now is to pressure a reluctant United Nations to allow United to return to Somalia with critically needed U.S.-supplied food and medicine to stave off more deaths.

The official response is reassuring even if the public's short attention span is not. As legitimate demands on international relief efforts pour in from scattered regions of the world, the response ought to be matched by a resolve on the part of governments and relief organizations to deliver humanitarian assistance to those who need it most.

—THE WASHINGTON POST.

## Cambodians Remember

In Phnom Penh one day last week an angry mob seized a frightened, white-haired man and beat him severely. The blood ran down his face as he pleaded for help. Cambodian security forces finally managed to hustle him into an armored personnel carrier and put him on a plane out of the country.

A great many Cambodians must have heard of the incident with grim satisfaction. The elderly man was Khieu Samphan, once a law professor, then a revolutionary who became one of the zealous of the Khmer Rouge. He was high in the hierarchical Khmer Rouge government that ruled in the late 1970s, a government that executed unnumbered thousands of people, often by clubbing them to death, and condemned tens of thousands to slower deaths from malnutrition and deprivation. No one knows exactly how many died. Khieu Samphan himself once estimated perhaps a million—in a country whose population had been 7 million. Other, more disinterested estimates are higher.

Last week he was back in the capital, a dozen years after a Vietnamese invasion force had run him and his movement out of it. The United Nations has hammered together a deal to end the Cambodian civil wars, and it requires the participation of all

the old enemies. The Khmer Rouge's stock has fallen lately because its patrons, the Chinese, no longer have an interest in turmoil in Cambodia and no longer need the Khmer Rouge. But it continues to control some parts of the countryside, and the prospects for peace were deemed better with the Khmer Rouge to a new Supreme National Council than left outside.

Political calculation pulls in that direction, the requirements of simple justice to another. In moral terms, the proper precedent is the Nuremberg war crimes trial. But there is no power in the country strong enough to bring the Khmer Rouge leadership to judgment. The United Nations may well be right, unfortunately, in concluding that the Khmer Rouge has to be included in any realistic attempt to stop the fighting and start the country on the long road toward elections and a legitimate government.

Son Sen, former defense minister of the Khmer Rouge, arrived in Phnom Penh earlier in the week sanctimoniously calling on the Cambodian people to "forget the past." But forgetting the past means forgetting the people who were murdered. That is precisely what the Cambodian people are unable and, to their credit, unwilling to do.

—THE WASHINGTON POST.

## Other Comment

### The Disorder of Poverty

On launching his new world order, President George Bush promised a planet permeated by equality and free of strife. But for this promise to be sensible, the steadily yawning gap between the rich North and the poor South should be conscientiously narrowed. Undoubtedly, on heralding the birth of his new order, Mr. Bush did not mean to

maintain a starkly divided globe. Nine months after he proclaimed the birth of this order, the global picture nevertheless is not a bit better. The speeches given by Western politicians on different occasions point to the inseparability of the world's destiny. A hurried glance at the global map belies such speeches, for the number of poverty-stricken people is alarmingly on the rise.

—The Egyptian Gazette (Cairo).

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## New Japan Is Still Dangerously Different

By Karel van Wolferen

This is the first of two articles.

TOKYO — The world that witnessed the Japanese attack on the United States was very different from the world today, but some traits have remained the same, and both countries ignore them at their peril.

The crucial similarities are that Japan is out of control and the United States cannot cope with Japanese power or fathom Japanese intentions.

The bombing of Pearl Harbor was suicidal. It is hard to believe that an effective government, considering the national interest, would have allowed firebrands to seek out a target attached to an industrial base 10 times the size of Japan's own.

Wise Japan of the time, like the strategist of the Pearl Harbor campaign, Admiral Isoroku Yamamoto, knew that only a miracle would bring about a Japanese victory. But there was no political structure through which their counsel could prevail: the formal government was not governing.

### Japan's officials no longer even try to sound convincing.

Today there are wise and informed individuals in Japan's officialdom who fear a collision between the United States and their country because of Japan's single-minded, politically driven and evidently unstoppable economic expansion.

Even if these true patriots could devise a plan to change course and stave off a calamity — an all-out trade war or political instability with truly ominous possibilities — there is no structure through which it could be put into action. Because Japan has no center of political accountability, Americans and Europeans find it excruciatingly difficult to grasp this central reality. But Japan's new prime minister, Kiichi Miyazawa, does not have the practical mandate to govern in the manner of European and American prime ministers or presidents. At the moment, he would presumably like to reduce frictions with the United States, but as the trade surplus starts mounting again he is simply powerless.

The economic ministries, the business federation, the large *keiretsu* groups made up of corporations that own each other — all are led by the United States' quality of self-defense. They exert themselves for what makes them feel most secure: unlimited economic expansion in order to render Japan invulnerable to capricious foreign forces.

## Israel's Bomb: Let's Bring Debate Into the Open

By Stephen S. Rosenfeld

WASHINGTON — A new account of Israel's nuclear program, "The Samson Option," indirectly goes back to the basic question of whether Israel should have the bomb. The message conveyed by Seymour Hersh's book is that (1) Israel is scarcely a state worth serious defending, (2) the secrecy to which it clings is corrupting, and (3) the United States' quality of self-defense is in jeopardy.

The book comes from a quarter not so much critical of Israeli and American policy, as many people are, as fundamentally uncomfortable with the notion of a Jewish state. The position saddens me, but fortunately it has not been supported by most American policymakers, whose "by-proxy" and "conscious policy of ignoring reality" trouble Mr. Hersh.

Asked about Israel's nuclear arms last June, Defense Secretary Dick Cheney fell into the grand tradition of U.S. government evasion: "I don't know that Israel has any nuclear capability. They have certainly never announced it." Israel has a hundred or more warheads and the means of delivery short and long. It "announced" it in prosecuting the technician, Mordechai Vanunu, who spilled the beans five years ago, and in other ways.

To say that American officials have not yet learned how to talk about Israel's bomb, however, is not to say that they have ignored it. On the contrary, they have understood why Israel, with reason feeling frightened, vulnerable and lonely, moved to acquire the ultimate instrument of deterrence, independence and self-defense.

"I can understand why Israel wanted a nuclear bomb. There is a basic problem there. The existence of Israel has been a question mark in history, and that's the essential issue," John Kennedy's defense secretary, Robert McNamara, told Mr. Hersh — words that the writer found "cryptic."

McGeorge Bundy, also a Kennedy adviser, wrote last summer: "If I had been an Israeli decision maker a generation ago, I think I might well have made the same choice." — a bomb as "an ultimate deterrent protector for a small and overwhelmingly outnumbered nation."

Not that the United States hasn't suffered diplomatic and bureaucratic torments for indulging Israel in the sort of nuclear program for which others were deemed unfit. Israel has reduced some of the damage by generally being discreet. More impor-

tant, the Israeli program, however embarrassing, has served a basic American policy of favor for the Jewish state, a policy whose roots extend far deeper than workaday calculations of national interest.

But, of course, things are changing. Technology, wealth and the breakdown of international discipline, not to speak of fear and ambition, are putting weapons of mass terror (chemical and biological) as well as weapons of mass destruction (nuclear) into ever more of the "wrong" hands. One Muslim country, Pakistan, may already have a bomb, and an Arab country, Iraq, was well on the way. Both Israel's nuclear uniqueness and the comforts flowing from it are fading badly.

For me, Geoffrey Kemp makes particular sense. In "The Control of the Middle East Arms Race," published by the Carnegie Endowment for International Peace, he concludes: "To be credible, U.S. arms control policy must be based on a realistic assessment of the region, since they are far and away the most dangerous items in the arms race. While Israel has good reasons for developing its nuclear weapons program, and has shown responsibility in not flaunting

its existence, there has been a catalyst for other Middle East states to seek their own nuclear capability....

"Until there has been a long period of peace in the Middle East, Israel is unlikely to negotiate away its nuclear force. In these circumstances, the best way to address the Israeli nuclear weapons program is to engage in a more open discussion of its existence and seek ways to limit its further growth, without, at this time, calling for its elimination. Pushing Israel too hard on nuclear weapons while demanding that it be more flexible on giving up land for peace would be counterproductive."

But to say nothing about this program, or engage in empty semantics, is equally counterproductive. If Washington expects the Arab states to participate in arms control talks, Israel's nuclear program cannot be open-ended. To be able to counter their own domestic criticism, and to address other arms control issues such as a chemical weapons ban and a freeze on surface-to-surface missiles, the Arab states must be able to show that a sincere effort is under way to limit Israel's nuclear program."

Mr. Kemp is addressing, from a broad perspective, the real world.

The Washington Post.

## Foreign Policy: Americans Need to Talk It Over

By James Webb

ARLINGTON, Virginia — The Democratic challengers to President George Bush have apparently decided to code him in his experience in foreign affairs and instead focus on domestic issues, particularly the economy. This would be a mistake. Americans demand a president who is adroit in the international arena. The Democrats' retreat from an affirmative foreign policy role since the middle of the Vietnam War coincides exactly with their failure in presidential elections. Allowing Republicans to continue setting the foreign policy agenda while arguing from the back bench betrays a legislator or perhaps a governor, but not a president.

### Bush seems to believe in a fraternity of world leaders who can get along no matter the degree of their tyranny.

unbending of the Soviet Union, it was not necessary for leaders to outline the specific maxims under which they would conduct foreign affairs. Our economy was clearly the world's strongest. And despite sometimes virulent argument over the appropriate mix of military, diplomatic and economic levers, we were united in our desire to contain expansionist communism.

The still fragile resolution of the Cold War was in many ways a Pyrrhic victory. The United States lost more than 100,000 young men fighting Communist soldiers in Asia. For the first time it stationed large standing forces in foreign countries in peacetime — almost one-third of our army and nearly 40 percent of our tactical air force were assigned to Europe's defense alone. We bled our economy white and saw our standard of living decrease as countries benefiting from our protection refurbished, became our competitors and now threaten to become our economic superiors.

As new power centers emerge, the United States is frequently viewed as a passive observer. The European Community countries are moving toward fiscal and possibly federal union. Asia is transforming itself, with Japan at the economic center and China the political and military fulcrum. Except

for military power, the United States is bringing less and less to the table.

President Bush, while correctly rejecting calls for isolationism, has failed to articulate the direction in which to move. Behind the constant motion, his foreign policy suffers from the same disabilities as his domestic policy.

It is mostly reactive rather than visionary. Secretary of State James Baker deserves high marks for postwar efforts in the Middle East, but this administration's policies have hardly been guided by concrete principles. Here are some of the confusing "lessons" from the last three years:

The violation of territory is wrong when Iraq attacks Kuwait but acceptable when Lebanon is quietly ceded to a retrained and unrepentant Syria.

Democratic evolution is vital when Soviet citizens take their government back from a hard-line coup, but not of consequence when the Chinese ask for continued most-favored-nation status after the slaughter in Beijing, or in the Arab countries that so cleverly made use of our military assets against Iraq.

America will normalize relations with Vietnam if it supports internationally supervised elections in Cambodia, but will not ask that it honor its commitment in the 1973 Paris peace accords to hold internationally supervised elections in Vietnam.

U.S. foreign policy lacks clear principles because it depends greatly on personal bias. Mr. Bush seems to believe in a fraternity of world leaders who can get along no matter the degree of their tyranny or the ideology that drives them.

His courting of Hafez Assad is dangerous. In the time Syria has been America's "ally" it has consolidated its hold on Lebanon, destroyed the Christian Phalangist militia and acquired Soviet-C missiles from North Korea. It is now rumored to be receiving arms shipments from the Soviets and nuclear assistance from China.

This is the kind of costly realpolitik that led to the two military engagements Mr. Bush has savored as president: fighting against tyrants in Iraq and Panama who just a few years earlier had received the active support of Mr. Bush and the U.S. government.

The president's curiously soft treatment of the Chinese has caused widespread reverberations.

The East Asian land mass has grown even more repressive as Europe has become more free. China is asserting itself as the dominant military and

political power in Asia and is now a major arms dealer. One of China's principal strategies is to erect an alliance against U.S. pressure for political liberalization. China seems also to favor a more open discussion of its existence and seek ways to limit its further growth, without, at this time, calling for its elimination. Pushing Israel too hard on nuclear weapons while demanding that it be more flexible on giving up land for peace would be counterproductive."

But to say nothing about this program, or engage in empty semantics, is equally counterproductive. If Washington expects the Arab states to participate in arms control talks, Israel's nuclear program cannot be open-ended. To be able to counter their own domestic criticism, and to address other arms control issues such as a chemical weapons ban and a freeze on surface-to-surface missiles, the Arab states must be able to show that a sincere effort is under way to limit Israel's nuclear program."

Mr. Kemp is addressing, from a broad perspective, the real world.

The Washington Post.

1985 has not altered our trade imbalance. Rather, it has allowed Japan, which imports all its oil, an incredible windfall: Since oil is bought with dollars, cheaper dollars mean cheaper oil. In 1981 Japan spent more than 5 percent of its GNP on oil. That figure has dropped to about 1 percent, allowing Japan billions of excess dollars to spend on American capital assets.

"Free trade" economists debate concerns about the Japanese buying trend, pointing out that it creates jobs — no matter that the profits from our labor go back to Japan, where they can be used to purchase even more capital assets. In the old days they called this "colonialism."

To date, Mr. Bush has neither the strategy nor the will to address these inequities. If they are not addressed, we must accept a grave national truth: America has become so dependent on the Japanese for capital investment and in the financing of its debt that it has lost its ability to protect its long-term interests.

These issues beg for debate. And no Democrat is likely to unseat George Bush without taking them on.

The writer was assistant secretary of defense and secretary of the navy in the Reagan administration. He contributed this column to The New York Times.

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### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

#### 1891: A Jesuit Scolded

PARIS — A Jesuit priest who was appointed to preach at Bayonne Cathedral on Sunday (Nov. 29) stated that the Pope blamed those bishops who had not concurred in his statement to a French Minister. The Bishop of Bayonne rose and said: "I have just come from Rome, and tell you that the real instructions of His Holiness are in practice the two Christian virtues Charity and Patience. The Holy Father does not mean the clergy to mix themselves up in party struggles, and no words but words of peace and charity are to be uttered from the pulpit. I shall see to it that my clergy conform to these instructions." The Jesuit left Bayonne early the next day.

#### 1916: U-Boat Warning

NEW YORK — Wireless messages from the British radio-telegraphic station at Bermuda state that submarines are now operating off the Atlantic coast, and especially near Bermu-

## The System Is Looking Irrelevant

By Haynes Johnson

WASHINGTON — Americans can be thankful they won't have the politics of Washington to contend with for a while.

This capital city badly needs a break. From the highs of the Gulf war early this year, when America seemed to have recaptured lost confidence and belief in its ability to forge the future, 1991 has been one long slide into the depths of political wrangling and ineptitude. Nothing seems to be working. No good news seems forthcoming.

Recent days brought more dispiriting examples of the way Washington works — or doesn't — as one chaotic scene tripped over another before the Thanksgiving break.

First came the credit card crisis. Triggered by an improvident presidential remark that banks should demand that banks should produce lower card rates, legislation was produced hastily, sending Wall Street into a dither and to turn abruptly ending any attempt to regulate rates.

Then came debate by all sides: bill, deemed so important by all sides: It produced another fiasco and another example of what House Speaker Thomas Foley called the "one-legged congress."

It was followed by the character over tax cuts and more signs of presidential vacillation. Then came the curious, self-serving debate over which party has the best "growth package." As Republicans like to call it.

Of course, neither party



## A Republican Clash Over the Economy

### Gingrich Attack Re-exposes Schism

By Ann Devroy  
Washington Post Service

WASHINGTON — The House Republican whip, Newt Gingrich, Sunday for rejecting his push to keep Congress in session to debate a Republican economic program, offering another display of the schism in the Republican Party as President George Bush struggles to produce an election-year economic recovery program.

Appearing on the NBC News program "Meet the Press," Mr. Gingrich, a Georgian, called the Senate Republican leader, Bob Dole of Kansas, a "pro-Republican" which he defined as a generation more interested in cutting spending than cutting taxes and promoting economic growth.

He also accused Mr. Dole of placing "a higher value" on going home at the end of the session than on "fighting for tax cuts and fighting for economic growth."

"There is a clear difference in our priorities," he said.

On Friday, Mr. Dole told reporters that President George Bush had "gone too far" last week in enthusiastically endorsing a House Republican plan being pushed by Mr. Gingrich that includes a series of major tax cuts.

Despite Mr. Bush's words of encouragement for the House Republican program, the president made it clear that he endorsed Mr. Dole's view that Congress should recess and not stay in session to debate and vote on the plan.

Mr. Bush and virtually all his senior advisers see the two-month recess period as a chance to re-group politically after a disastrous autumn. The president is working on a campaign and White House personnel structure, as well as on his own economic growth proposal, to be presented before or as part of the State of the Union address.

Mr. Bush is expected in the next weeks to hold a series of meetings with business groups, economists and Republican congressional leaders. On Monday, for example, he meets with executives from the real estate industry, one of the hardest-hit segments of the economy.

The president is trying to formulate an economic recovery program that Republicans as a whole can endorse, and that the public and markets will view as a solution.

Getting Republican agreement on economic policy has been a difficult, sometimes impossible, task for him.

Mr. Gingrich on Sunday agreed with Mr. Dole on one area — that Mr. Bush is going through one of the roughest patches of his presidency. But he resoundingly endorsed the White House chief of staff, John H.

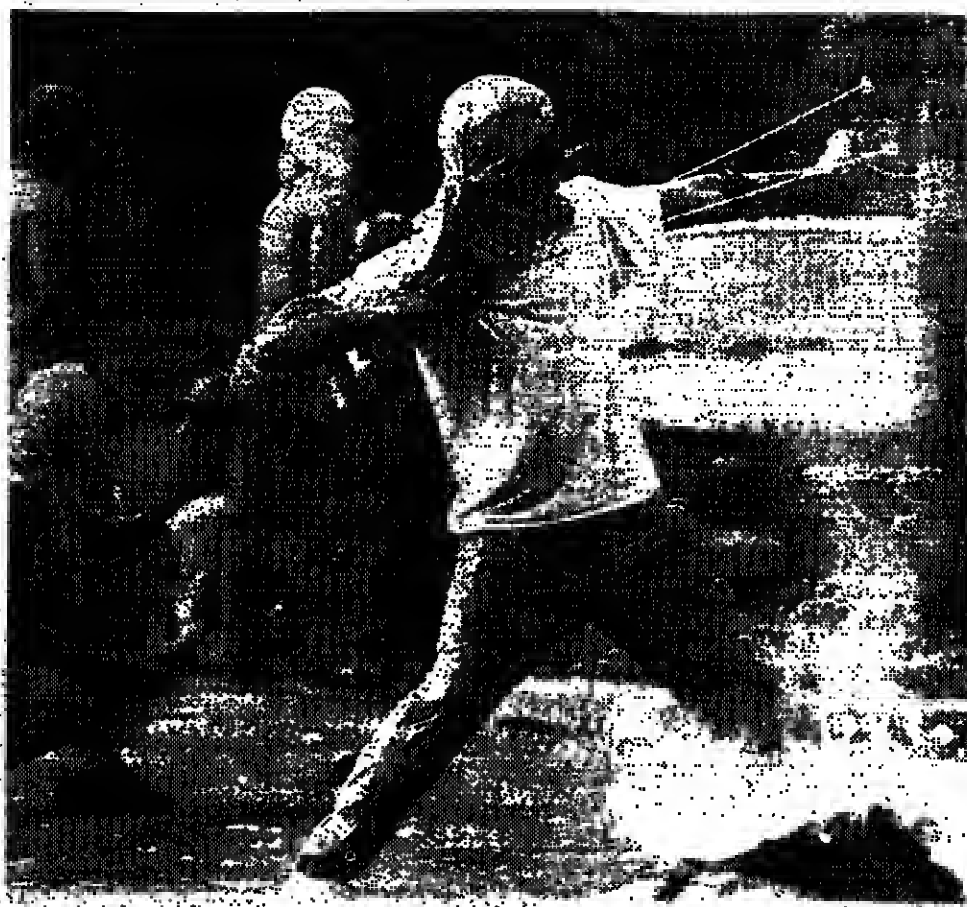
Summu, who has been criticized by many other Republicans for his handling of domestic policy and politics.

He praised Mr. Summu for "correctly representing the conservative part" of Mr. Bush's agenda, and suggested that it was Mr. Summu's conservatism, not his abilities, that are under attack.

Although many Republican activists and some administration officials are convinced that Mr. Summu will be replaced as chief of staff by the end of the year, Mr. Bush has given no public hint that he is preparing to make such a move.

Officials said he had had conversations over the Thanksgiving holiday weekend with longtime political friends, including Secretary of State James A. Baker 3d, who spent Saturday with Mr. Bush at Camp David, Maryland.

The White House spokesman, Martin Fitzwater, said he had not been told of any imminent announcements on either the White House structure or the campaign structure.



A hooded university student, using a slingshot in a confrontation with the police in Caracas.

## Venezuela's Austerity Policy Stirs Protest and Talk of Coup

By Douglas Farah

Washington Post Service

CARACAS — A sharp drop in the middle-class standard of living and mounting discontent over Venezuela's economic policies have led to violent student unrest and speculation about a military takeover in one of Latin America's wealthiest and most stable democracies.

Observers here say that the likelihood of a coup is remote. But the recent statements of prominent politicians and the press about possible military action have prompted the government of President Carlos Andrés Pérez to issue formal denials and denunciations.

In a speech last week, Mr. Pérez called such rumors "an offense against Venezuelan society as well as an offense to the armed forces," and added that "only with democracy does Venezuela have a future." The country has had a democratic government since 1958.

"I do not think there can be a coup," said Attorney General Ramón Escovar Salom. "But the fact that it is being talked about after 30 years is a signal we are in a serious national emergency that is becoming more explosive by the day."

Analysts said that previously such talk had dramatized discontent rather than indicated a threat from any significant sector of the military. But some said that for the first time, they could not rule out the possibility of military action.

As nationwide protests continued, a youth was

killed Thursday when high school and university students skirmished with authorities. This brought to four the number of students killed in disturbances since mid-November.

Last week, to counteract protests sparked by an attempt to raise student bus fares, Mr. Pérez suspended high school and university classes indefinitely. If the schools remain shut this week, most students will be unable to take final exams or receive credit for the academic year, a prospect likely to trigger even stronger protests.

The harsh police response to the student marches has dealt a blow to Mr. Pérez's popularity.

Economists said the root of the crisis was the austerity program implemented since Mr. Pérez took office in 1989, when the country was reeling from a sharp decline in oil prices. Oil financed Venezuela's economic boom in the 1970s.

The United States and others have praised Mr. Pérez's efforts to privatize the economy, to cut import tariffs and government spending and to eliminate the dual exchange rate. Those most affected by these changes are in the middle class.

In 1989, food prices increased 100 percent and inflation hit 89 percent, while workers' wages rose about 30 percent, according to official figures. In 1990, inflation fell to 45 percent but wages grew by 30 percent. In 1991, inflation is expected to run about 32 percent while wages will grow by about 21 percent.

## Mr. Bush, Meet 'Joe Sixpack'

### A Rich Man's Campaign in Want of a Common Touch

By Maureen Dowd

New York Times Service

WASHINGTON — If administration officials were to place a help-wanted ad, they would probably choose to run it in magazines like *Four Wheeler*, *Hot Rod* and *Guns & Ammo*, and it would read something like this:

"Immediate opening for a consultant who understands the common fellow. Good career opportunity for someone familiar with bowling alleys, pro wrestling and K Mart who can explain 'average' thinking to a group of old-time public servants planning America's future overseas and seeking to expand into domestic portfolio."

Ambitions about polls showing severe erosion of support for President George Bush among middle-income voters who are smarting under a recession, Republicans are searching for ways to make themselves appear more sensitive.

"We've got to find more people who have a more direct sync or tie or feed for the average-income person," Robert A. Mosbacher, the Texas oilman turned commerce secretary who is expected to be the chairman of the Bush re-election campaign, said last week.

Referring to Lee Atwater, the 1988 campaign manager who took pride in forays to diners, discount stores and pro wrestling matches and in reading *The National Enquirer*, Mr. Mosbacher continued: "We've got to have somebody like that. It isn't me, I admit."

And it apparently isn't Treasury Secretary Nicholas F. Brady, who when asked recently about the recession while on the television program "Meet the Press" said: "I think that the rush to judgment that this is the end of the Western world as we know it is entirely premature."

For the Democrats, the spectacle of a bunch of rich men huddled at the White House wondering how to connect with average Americans makes an irresistible target.

"Bush's idea of solving a domestic problem is to fire the maid and yell at the butler," Senator Tom Harkin of Iowa, a Democratic presidential candidate, said recently.

Ann Lewis, a Democratic consultant in Boston, commented: "You've got a set of people for

whom unemployment has always been a statistic, never a fear."

For a decade, the Republican Party has tried to escape its elitist image as the party of big business and country clubs. It deftly co-opted the symbols and issues of populism from the Democrats, successfully wooing the middle class with flags, country music singers, speeches on law and order and the death penalty, and racially tinged messages.

But Mr. Bush, the first scion of the old-line Eastern establishment to run the country since Franklin D. Roosevelt, makes a sharp distinction between politics and governing.

During his 1988 campaign he was willing to surround himself with operatives who had sandpaper personalities and middle-class backgrounds. But as president, he has surrounded himself with friends and like-minded men — old-money millionaires, Ivy League tennis buddies, affluent businessmen. In the president's inner circle, for instance, can be found six wealthy men: Mr. Mosbacher; Mr. Brady; Secretary of State James A. Baker 3d; Vice President Dan Quayle; C. Boyden Gray, the White House legal counsel, and the budget director, Richard G. Darman.

By contrast, Mr. Atwater ventured into a Harley-Davidson bikers' gathering in Virginia in the spring of 1988 to try out the story of Willie Horton, the Massachusetts murderer who escaped while on a weekend furlough and raped a woman. The convict became a favorite Republican symbol in the effort to portray Governor Michael S. Dukakis as being soft on crime.

When Mr. Bush tripped on his Connecticut roots and asked for "a splash" more coffee at a New Hampshire truck stop, Mr. Atwater — who died from a brain tumor last March — gave refresher tips on avoiding "Ivy-speak."

But pock rinds, promoted by Mr. Atwater as a down-home staple of Mr. Bush's diet — have not been seen in the White House in nearly three years. The president's favorite snack, it turns out, is popcorn.

"The smartest thing the White House could do right now is to declare Tuesday night bowling

night and make everyone go to a bowling alley in suburban Virginia every week to spend some time with regular guys," said Michael McCurry, a Democratic consultant who is helping Senator Bob Kerrey of Nebraska with his presidential campaign.

Mr. Bush seems oblivious to the fact that the perception of old-money ways can rankle in hard times.

The president was on the golf course when he told reporters he would veto a bill extending unemployment benefits.

Representative Susan Molinari, Republican of New York, says the problem is one of communication, not compassion. "The message that Joe Sixpack is hurting has gotten through to George Bush," she said.

"But the White House has got to figure out how to communicate the president's real concern. The mood of the people shifts rapidly and his hand. We have to be willing to intercept it immediately. That's where we've lost our way."

### ACROSS

- 1 Slacken
- 5 Rise
- 10 Oriental nursemaid
- 14 Down in the mouth
- 15 Maka amands
- 16 Type of dancer
- 17 Poisonous snakes
- 18 Replaces
- 20 Female deer
- 21 Glides over snow
- 22 Most elegant

### DOWN

- 23 What tyros must learn
- 25 Await decision
- 26 Cam-activated lever
- 28 Caparad souls
- 32 Not in a whispur
- 33 Out on TV
- 34 Actress Hagan
- 35 Church benches
- 36 Is foolishly overfond
- 37 Cowboy's prod
- 38 Before, to Keats

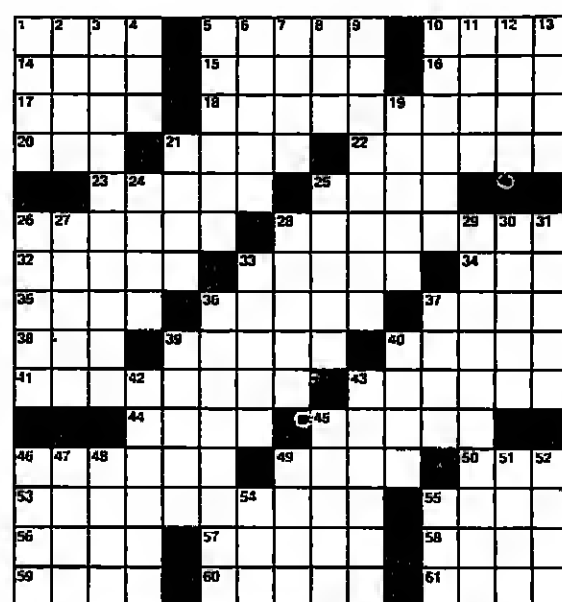
### Solution to Friday's Puzzle

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B	A	T	L	A	N	A	P	R	E	T	T	I
S	N	I	V	E	L	S	T	O	U	T		
C	E	A	S	E	A	L	L	O	W	E	O	
S	H	I	E	R	L	E	V	E	E	E	A	U
L	E	A	R	F	E	V	E	R	P	A	V	E
U	R	N	O	I	V	E	R	S	I	K	E	S
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E	V	E	N	S	R	A	C	E	R	E	A	O
R	E	E	S	E	A	P	E	O	A	R	T	Y

- 39 Reddish, aromatic wood
- 40 Native of Stockholm
- 41 Crumbly, sugary cake topping
- 43 Loud, brassy sounds
- 44 Octail
- 45 Exploits
- 46 One who barbers
- 49 Bedouin
- 50 Rowar
- 53 Ovarseer
- 55 Measra or Bancroft
- 56 But, in Bramen
- 57 Edit
- 58 Ceramony
- 59 Roulette colors
- 60 Quarrels
- 61 Sour

### DOWN

- 1 Euphemistic oath
- 2 Too
- 3 Dominant state
- 4 Printers' measures
- 5 Leakproofing item



© New York Times, edited by Eugene Maletsky.

- 43 What little shavers don't have
- 45 Bell captain's call
- 46 Despot
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- 49 On the briny
- 51 Against
- 52 Oboe or clarinet
- 54 Small demon
- 55 Parseghian of football

## One-Man Race In Burkino Faso

Agence France-Presse

OUAGADOUGOU, Burkina Faso — Presidential elections were held Sunday in Burkina Faso, where President Blaise Compaoré was running unopposed after opposition candidates pulled out of the contest.

Captain Compaoré, who seized power in a 1987 coup, is facing the electorate for the first time, amid mounting pressure for democratic change in this impoverished, landlocked state.

The opposition's six candidates refused to take part in the elections because Captain Compaoré had resisted pressure for a national conference on democratic change.

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EXPO'92







## Time Not Ripe for UN Force

### Yugoslav Battles Disappoint Vance

Compiled by Our Staff From Dispatches  
**BELGRADE**—The United Nations special envoy, Cyrus R. Vance, arrived in Yugoslavia on Sunday and said that conditions were not yet satisfactory for deployment of an international peacekeeping force.

Mr. Vance, a former U.S. secretary of state, noted that the UN Security Council resolution authorizing the deployment of peacekeepers stressed that an absolute cease-fire must be in place in Croatia before they could be sent in.

The deployment of a United Nations peacekeeping operation cannot be envisaged without full compliance by all parties," Mr. Vance said.

He said that compliance was "not satisfactory yet." As for the UN-negotiated truce that in theory took hold a week ago, he said, "It's holding better than it was, but it needs to really hold."

Both the Serb-dominated Yugoslav Army and Croatian forces have violated the latest truce—the 14th—on numerous occasions, and there were scattered reports of fighting Sunday.

Mr. Vance made the trip to Yugoslavia with the aim of forging an agreement between Serbia, the federal army and Croatia on how and where to send the peacekeepers if the truce holds.

He said he would remain in Belgrade for two or three days and hold talks with the Serbian president, Slobodan Milosevic, and the Yugoslav defense minister, General Veljko Kadijevic, before meeting with the Croatian president, Franjo Tudjman.

Mr. Vance said he was disappointed with developments since he brokered the latest cease-fire on Nov. 23.

"I am distressed that no great progress has been made," he said at the Belgrade airport.

The success of the latest truce is vital if peacekeepers are to be deployed. It has held on many battlefields, but fighting, worsened in some areas over the weekend.

Croatian radio reported mortar attacks and shelling of Podravska Statina and Daruvar in central Croatia. It reported explosions in Osijek in the east and said villages around Vinkovci were attacked.

Yugoslavia's official news agency, Tanjug, said fighting broke out around Novska and Lipik in central Croatia and around Vinkovci.

The Yugoslav Army and Serbian irregulars outnumber and outgun the Croatian forces and control about one-third of the republic's territory. Croatia has said it will not give up the fight and is hoping for international recognition of its independence. (APR, Reuters)

### German Recognition Soon

Germany will grant diplomatic recognition to the secessionist Yugoslav republics of Slovenia and Croatia directly after the European Community summit meeting Dec. 9 and 10, Hesse state radio said Sunday. The Associated Press reported from Frankfurt.

The radio quoted Foreign Minister Hans-Dietrich Genscher as saying that Slovenia and Croatia would be "lawfully recognized" immediately after the EC meeting and that he was backing an initiative to have the Community "grant an associate status to the two republics."

## UN Assails Burma For Rejecting Election Results

**NEW YORK**—The United Nations has rebuked the military government of Burma for its refusal to surrender political power to a democratically elected parliament.

The impetus for the rare criticism of a Third World country came from Burma's continued detention of this year's Nobel Peace Prize recipient, the opposition leader Daw Aung San Suu Kyi.

After blocking a Swedish-led attempt at the General Assembly to condemn Burma last year, India and Burma's other Asian neighbors dropped their opposition last week to a resolution that expressed concern at continued military rule and the suppression of fundamental democratic freedoms in the country.

The consensus text, approved without a vote by the General Assembly committee dealing with social, humanitarian and cultural matters, is intended to put the weight of the world's moral disapproval on General Tin U and his military rulers.

The hope is that this will persuade them to carry out earlier promises and surrender power to Daw Aung San Suu Kyi's National League for Democracy, which won 80 percent of the seats in elections last year.

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**A SETBACK FOR AQUINO**—Ramon Mitra, speaker of the lower house of parliament in the Philippines, waving as he arrives at the home of a supporter with his wife, Cecilia, after his nomination as the candidate of the country's biggest party in the 1992 presidential election. The ruling party rejected former Defense Secretary Fidel V. Ramos, the candidate supported by President Corason C. Aquino. Mr. Mitra's nomination ended speculation that the party might put forth the candidacy of Mrs. Aquino herself.

## In India, Hardships For Quake Survivors

By Sanjoy Hazarika

New York Times Service

**NEW DELHI**—More than a month after their homes were destroyed in an earthquake, thousands of ill-clad and frightened villagers in the Himalayan foothills still huddle with their cattle for warmth under tents as rain and snow signal the onset of winter.

The survivors have lived without permanent shelter since Oct. 20, when the earthquake rumbled across a 115-kilometer (70-mile) belt of Uttar Pradesh state in the foothills of the western Himalayas, destroying bridges, roads and villages. Electric power was knocked out in many areas and has not been restored, according to reports from the region.

More than 700 people were killed, officials at Uttarakashi, a major town in the region, have said. Relief workers said the number was at least 1,500.

Officials said that in the next few weeks it would be crucial to build snowproof shelters and provide relief supplies including food, blankets and medicine.

In the village of Netala, clusters of tents have sprung up as all of the 1,000 residents have deserted their damaged homes.

"Right now we need houses and proper shelter," said Maheshwari Bhatt, the village leader in Netala. "The tents will not keep out the cold and the snow."

Mrs. Bhatt said that the quake had killed 51 people in Netala, including 9 of her relatives.

She said the disaster also had kept the villagers from sowing the wheat crop in time. Many head of cattle were killed, which deprived the villagers of draft animals that are used instead of tractors in the mountainous terrain. Many fields have been ruined by the collapse of walls that prevented erosion.

The crumbled homes often also represent financial collapse.

"Women sold their jewelry to help build the houses, and now entire families are paupers," said Raghubir Singh, a trader in Netala. Officials said cash grants for rebuilding homes were being distributed.

Some engineers said that construction methods and materials contributed to the scope of the disaster. The earthquake was of moderate strength, measuring 6.1 on the open-ended Richter scale.

"The reason why so many died was not because of the magnitude of the earthquake but because the buildings were badly designed and badly built," said A.S. Rawat, an electrical engineer. "Light, flexible structures, such as tin and wood, are among the best in earthquake-prone areas."

Mr. Rawat said that deforestation had led to a shortage of wood for construction, so that instead of the traditional homes of wood and earth, villagers took to using stone and plaster.

Many villagers, envious of richer families who could afford homes of brick and mortar, plastered cement over rock walls to give the impression that they lived in "proper" houses, Mr. Rawat said. But the buildings proved to be deathtraps.

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## U.S. Spells Out Kenya's Loss

### The Message: Plan on Change, or Forgo Increased Aid

By Jane Perlez

New York Times Service

**NAIROBI**—In an unusually blunt statement, the U.S. Embassy has announced here how much Washington penalized Kenya last week when the United States and other aid donors held up new aid because of Kenya's poor political and economic performance.

The statement appeared to be an attempt to drive home the point that there was abundant U.S. aid available for Africa but that Kenya could not expect to benefit from it unless the government curbed corruption and opened up the political system.

The embassy said the United States had been prepared to pledge \$47 million in economic and social assistance to Kenya for 1992, an increase of \$8 million over 1991.

Instead, Washington agreed to release only a previously agreed upon \$19 million for family planning, agricultural research and assistance to private humanitarian agencies, all programs that do not involve the government.

The remaining \$28 million intended to finance agricultural and market development programs was contingent upon Kenya moving forward on political and economic changes, the embassy said.

The \$28 million was put on hold, the embassy said because of the "Kenyan government's failure so far to carry through with key economic reforms that had been promised earlier."

The U.S. ambassador to Kenya, Smith Hempstone Jr., has been the loudest Western critic of President Daniel arap Moi's insistence on clinging to the one-party system and his failure to clean up corruption.

At the last two donor meetings, such as the recent one in Paris, Kenya received about \$800 million in development aid each year from international financial institutions and donor nations. This time the donors said Kenya would continue

to receive aid already pledged, but they declined to specify any new amounts. Instead, they said, new aid would be reconsidered in six months and would be linked to improvements in human rights and economic performance.

The Kenyan government's reaction to the failure to get the much needed aid has been muted. There have been no public pronouncements here.

Instead, Mr. Moi has called a meeting for Monday of the council of his governing party, the Kenya African National Union, prompting speculation about possible changes.

While the donors were meeting in Paris, Mr. Moi had two of his

closest political colleagues arrested in connection with the 1990 slaying of Foreign Minister Robert Ouko, an opponent of government corruption. Also last week, Mr. Moi's government dropped charges against a number of opposition leaders who were detained for organizing a rally.

The arrests of Nicholas Biwott, a powerful former cabinet minister and Hezekiah Oyugi, a former head of internal security, as well as the leniency toward the opposition leaders fueled speculation that Mr. Moi was planning to take some steps this week toward political pluralism. As yet, no formal charges have been filed against Mr. Biwott or Mr. Oyugi.

## Mandela on Another U.S. Visit

### Trip Follows Historic Meeting on Plans for Constitution

By David B. Ottaway

Washington Post Service

**JOHANNESBURG**—Nelson Mandela, president of the African National Congress, left Sunday on a seven-day visit to the United States that will include meetings with President George Bush and Secretary of State James A. Baker 3d as well as an address to the United Nations.

Mr. Mandela left a day after the first meeting of black and white political parties in the history of South Africa ended in near unanimous agreement on how negotiations would proceed to draw up a democratic constitution for South Africa. The success of the meeting set loose a wave of optimism in this violence-torn land.

Nineteen parties, many of which had been bitter enemies, completed plans to hold a "convention for a democratic South Africa" starting Dec. 20 to begin the process of drafting a constitution that will empower the black majority to vote for the first time.

Unlike his first trip to the United States, in June 1990, soon after his release after 27 years in prison, Mr. Mandela is not planning to speak at any public rallies or ceremonies. He was greeted then like a conquering war hero and feted lavishly across the United States, including Washington, where he addressed a joint session of Congress.

He also will not be accompanied by his wife, Winnie, with whom he is reported to be having marital difficulties unrelated to her conviction in the 1988 kidnapping and assault of four Soweto youths. She was sentenced to six years in prison but remains free awaiting a court appeal.

While in the United States, Mr. Mandela plans to hold meetings with black groups, including the congressional black caucus, to speak to business executives and to meet political, educational and business leaders in Houston.

At a meeting with Mr. Bush scheduled for Thursday, Mr. Man-

dela is expected to raise the possibility of the United States sending observers to the constitutional convention.

At a news conference Sunday, Mr. Mandela refused to say whether he intended to bring up this issue.

He also sidestepped a question on whether he would seek donations for his proposed multibillion-dollar development bank for post-apartheid South Africa. Mr. Mandela is scheduled to meet with representatives of the Ford, Rockefeller, Carnegie and other U.S. foundations.

Mr. Mandela said only that he planned to discuss "very sensitive matters" with the foundation officials.

But a statement regarding his trip said one objective was to "generate the economic and other resources that will be necessary for the reconstruction of a post-apartheid society."

Mr. Mandela said the African National Congress would not support foreign investment and the lifting of economic sanctions until negotiations on a new constitution reached a "particular stage." He later defined this as the establishment of an elected constituent assembly.

Foreign investment was "a matter of concern to us," he said, "but in a post-apartheid South Africa, not now."

At the historic meeting on Saturday, the Pan Africanist Congress walked out, but virtually all the other delegations hailed the two-day preparatory session for the convention as a watershed event signaling the start of serious negotiations to end white minority rule.

The Pan Africanist Congress, a hard-line black nationalist faction, said it was suspending participation in the negotiating process because all of its proposals had been rejected.

Analysts said the walkout, if it led to the group's permanent withdrawal from the negotiating pro-

cess, could expose the African National Congress, the government's main black negotiating partner, to serious attack from the left.

But preliminary indications were that the action by the Pan Africanist Congress was primarily a bid by its leadership to avoid a formal split within the organization, which has become badly divided over whether to participate in the negotiating process.

Many observers predicted that the small but influential group would attend the constitutional convention.

Constitutional Development Minister Gerrie Viljoen, head of the government's delegation, said the meeting was "a definite, clear and irreversible break with the past."

"We've now come to the stage where the real talks, the real McCoy, have commenced," he said.

Cyril Ramaphosa, the African National Congress secretary-general who led the group's delegation, said the successful conclusion of the meeting marked "the opening of genuine negotiations."

"The struggle of our people to realize a democratic South Africa has reached a critical moment," he said. "The possibilities of achieving this goal through negotiations has now become real."

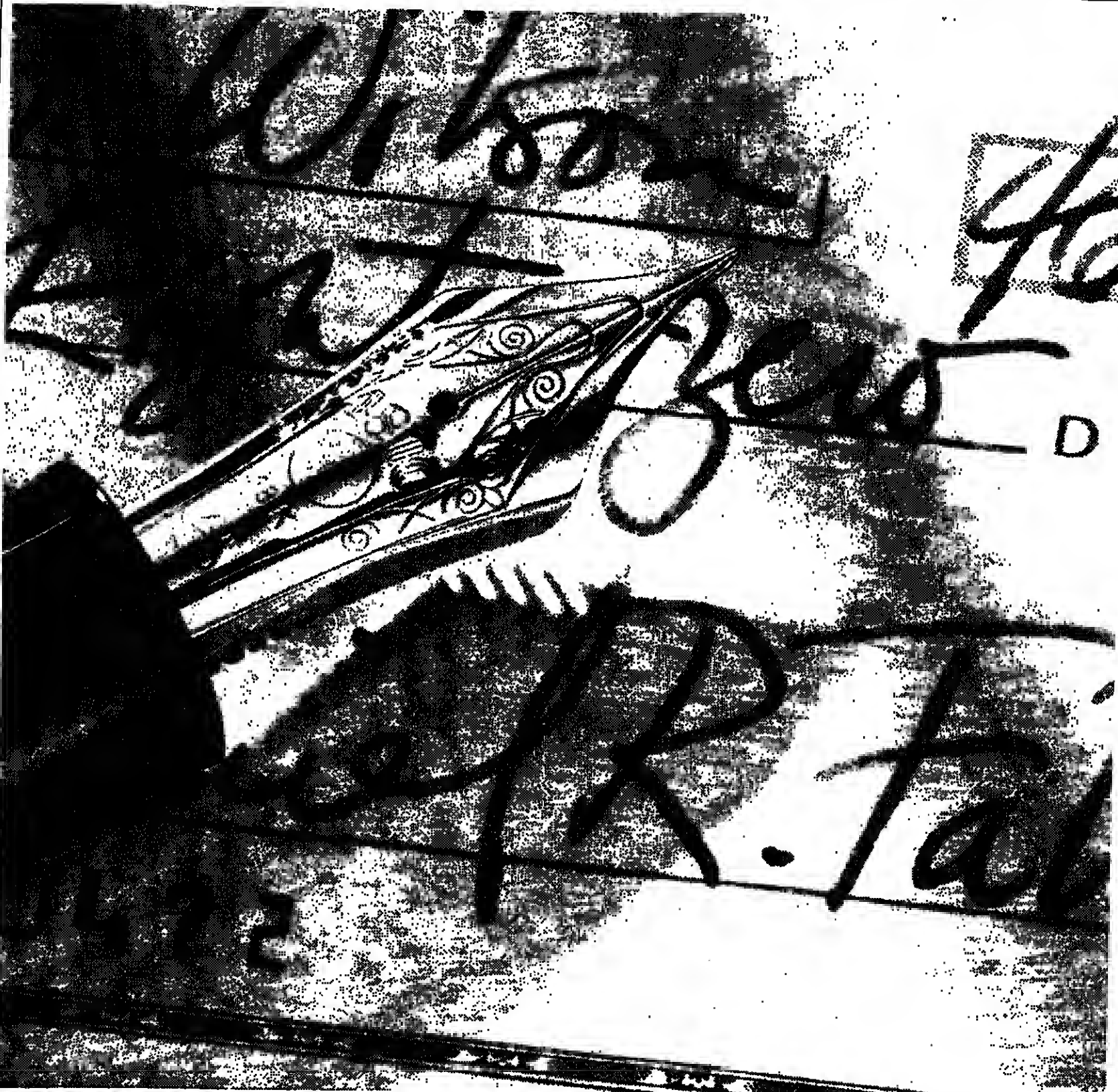
"More than ever we are convinced we are walking the last mile."

The Inkatha Freedom Party's chief delegate, Frank Mdlalose, described the meeting as "a healing event in our divided society" that showed South Africans could overcome "all the difficulties and divisions" that apartheid created.

### Arafat and Mubarak Meet

Reuters

**CAIRO**—Yasser Arafat, leader of the Palestine Liberation Organization, met Sunday with President Hosni Mubarak of Egypt to discuss the next stage of Middle East peace talks, which are scheduled to be held in Washington on Wednesday if Israel agrees to attend.



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## EUROBONDS

### Dollar's Faint Recovery May Not Signal a Surge

By Carl Gewirtz  
International Herald Tribune

PARIS — The dollar scored a comeback of sorts last week, helping to alleviate tensions that a strong Deutsche mark had created within Europe's fixed-exchange rate system. But the dollar's recovery was not sufficiently strong enough to convince foreign exchange analysts that it's all uphill from here.

"The market was dominated by shorts covering positions," said a Swiss Bank Corp. analyst, Jim O'Neill. In other words, speculators who had sold dollars in the expectation of repurchasing them at a lower cost lost their nerve. In closing out their positions, they were obliged to buy the dollar. It ended the week after hitting a high of 1.6375 DM — a nearly 4 percent gain over its low of 1.5775 DM.

Analysts say that they are looking for a sustained closing rate of over 1.65 DM before they would be willing to advise clients that the months-long period of dollar weakness is over.

**Möller's comments cooled the fever for a stronger mark.**

Last week's turn was sparked by overt intervention by the Bundesbank in support of the British pound, which calmed fears of an imminent realignment of European exchange rates. Comments by Germany's economics minister, Jürgen Möller, said that German exporters would like to see the mark trading at 1.65-1.75 DM to the dollar also cooled sentiment for an ever stronger mark.

In addition, rumors about an impending coup in the Soviet Union and increasing worries about that nation's financial situation added to the sudden unwillingness to bet the dollar would continue to fall.

"Maybe we've already seen the bottom when it traded at 1.5775 DM," says a Goldman Sachs analyst, David Morrison. "But we don't have enough evidence to confirm that view."

He warned that doubts about the dollar would continue so long as the sluggish U.S. economic performance kept currency traders worrying about further reductions in U.S. interest rates.

On Friday, the government will report November's unemployment data and a further rise in joblessness, analysts say, could be the trigger for a rate-cut.

THE MARKET is also torn by doubts about whether the Bundesbank will raise its money-market rate at Thursday's meeting of its central council — a move that could send the mark climbing again. German traders fret that market talk suggesting the central bank wouldn't dare raise the rate before next week's EC summit meeting on monetary union is just the kind of challenge the Bundesbank might use to demonstrate its independence.

And last Friday's rejection by the upper legislative chamber of the Bundesbank-sponsored government proposal to streamline the central bank's policy-making board is yet another element that may shape events. Analysts were uncertain whether this might drive the Bundesbank to raise rates, or whether it would further add to the mark's weakness by casting doubt on the bank's capacity to steer a tough anti-inflation policy.

The Bundesbank structure is being changed to take account of German unification. Currently, the presidents of the 11 regional central banks and the Frankfurt-based directorate make up the policy-making council. The central bank has argued that creating an additional five regional central banks to represent the new East German states would create an unwieldy council.

Fears also abound that such an expanded council would become top-heavy with officials more concerned about sparking growth than containing inflation.

The government had proposed that the total number of regional central banks, including those which would represent Eastern Germany, be reduced to nine.

A further cloud on reading the immediate outlook is the approaching year-end. "The market is becoming very illiquid," Citibank's analyst Paul Chertkow observes, making it vulnerable to erratic moves.

Commercial and professional traders have largely locked in their profits for the year and are less willing to undertake new exposure so close to the end of the year, he says. "People who were the most aggressive selling the dollar have now squared their positions, but there aren't many yet who are willing to go long" and buy the currency, Mr. Chertkow says. This reluctance persists even though it is widely expected that by mid-1992 the dollar will be trading at around 1.80 DM.

Suspicion that the dollar's recovery may be accompanied by rising inflation that starts pushing U.S. interest rates higher is also tempering attitudes in the Eurobond market.

Bankers report continued demand for dollar bonds, but from investors who see the dollar as their base currency or from those big institutions that borrow dollars to buy dollar bonds. This is a

See BONDS, Page 11

## EMU Opt-Out: Only Britain Need Apply

By Tom Redburn  
International Herald Tribune

THE HAGUE — In a move that helps bind the rest of Western Europe to full economic and monetary union, EC finance ministers Sunday reached general agreement that only Britain should be allowed to decide later in the decade about whether to adopt a single currency.

The consensus to throw out a provision in the draft treaty on European union that would have permitted any member of the European Community to opt out of the single currency at the last minute marks a victory for the EC president, Jacques Delors, and may prove an embarrassment at home for Prime Minister John Major of Britain.

The root of the dispute is Britain's insistence that it can only accept a deal that does not commit it in advance to join its partners in creating a European central bank to manage a common currency. To attain that end, Britain still wants a general opt-out clause that would not single it out for special treatment. But after Sunday's meeting, it faces an uphill struggle to prevail.

Wim Kok, Dutch finance minis-

ter, acknowledged that most officials do not accept the general opt-out provision originally proposed by the Dutch as a central element of the EMU treaty, which would have included a separate statement in which nations other than Britain pledged to move forward.

"A large majority," Mr. Kok said, "is not very much charmed by the character of this clause." The Danish finance minister, Anders Fogh Rasmussen, previously one of Britain's few allies in the dispute, threw in the towel Sunday.

Last week, the EC Commission headed by Mr. Delors warned governments about the "risks of a general opt-out clause." On Sunday, Mr. Delors showed signs of celebrating his triumph by gleefully showing reporters a drawing he made of what appeared to be a champagne glass.

Mr. Major, facing a revolt from anti-Europeans within his own party, cannot commit his nation in advance to a future monetary union without destroying his chances for re-election next year. The government's vehement objection to the imposition of a single currency,

however, does not represent full-scale opposition to the idea.

In London, a senior official of the ruling Conservative Party hinted Sunday that Mr. Major might accept a single currency at the critical moment when other nations are deciding whether to go ahead, if economic differences among European nations have narrowed sufficiently.

"If you get that measure of economic convergence I do not believe that John Major or Douglas Hurd would reckon that there was an intolerable constitutional issue at stake," Chris Patten, the party chairman, told BBC radio. Mr. Hurd is foreign secretary.

EC finance ministers, beginning a week of frenetic diplomatic activity in advance of the European summit meeting at Maastricht in the Netherlands on Dec. 9-10, launched a final round of talks aimed at settling most of the outstanding issues concerning economic and monetary union.

Their goal is "to deliver a package of decisions as complete as possible," Mr. Kok said.

But Norman Lamont, Britain's

chancellor of the Exchequer, said he remained concerned about the

lack of progress in finishing the work. "You just can't have packages all coming down and descending from heaven," he said.

The finance ministers will continue Monday and probably Tuesday in Brussels, where foreign ministers will convene a two-day meeting of their own to attempt to narrow differences in the more contentious parallel negotiations aimed at forging closer political ties.

The disputes over foreign and defense policy, along with related arguments over strengthening EC institutions, will almost certainly not be resolved until Europe's top leaders convene in Maastricht.

Meanwhile, Mr. Major met separately with Rudi Lubbers, the Dutch prime minister, to discuss his remaining reservations about European political union.

Britain is adamantly opposed to allowing qualified majority voting, rather than requiring unanimity, on social affairs concerning work rules and related issues, but has shown recent signs of a willingness to compromise with its European partners on several other previously contentious matters.

## EC Expects '93 Growth Of 2.5%

By Charles Goldsmith  
International Herald Tribune

BRUSSELS — Economic growth in the European Community is projected to improve only slightly to 2.5 percent in 1993, after reaching 2.25 percent in 1992, the EC Commission says in a draft of its annual economic report.

For 1991, the Commission has forecast that growth in gross domestic product of the Community's 12 countries will be just 1.25 percent, seared by the Gulf war and sinking consumer confidence.

The report says the Community may reap little benefit from improved world output and trade in the next two years, because there will also be a "picking up" of demand for EC goods resulting from German unification.

The draft report, which is expected to be adopted by the 17 EC commissioners this week, marks the first time the Commission has forecast the Community's economic growth for 1993.

Modest growth in the next two years will not match the rise in the labor force, the report says, so unemployment is expected to increase from 8.6 percent this year to 9 percent in 1992 and 9.25 percent in 1993.

Inflation is projected to decline steadily, however, from 5 percent this year to 4.5 percent in 1992 and 4.25 percent in 1993.

Even with the modest recovery forecast, EC economic growth in 1993 would still be below last year's level of 2.8 percent, and well below the 1988-89 average of 3.7 percent.

The report expresses concern that economic factors such as budget deficits, inflation and unemployment are not converging adequately among EC economies, vital for economic and monetary union.

## UN Sees 'Depression' in East

By Reuters

GENEVA — United Nations economists on Sunday forecast growing social unrest in 1992 in the Soviet Union and the former East bloc, with depression and unemployment putting pressure on governments to drop economic reform.

But in its latest biannual report, the UN's Economic Commission for Europe argues that a new "Marshall Plan" of coordinated Western assistance could put the region firmly on the road to recovery.

"The declines in output in eastern Europe and the Soviet Union are now so large that it would be appropriate to speak of a depression," said the report, compiled by a team of European economists at ECE's Geneva headquarters.

The economists estimated the overall drop in industrial production for Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Romania and Yugoslavia at 19.5 percent

for 1991, and 9 percent and accelerating for the Soviet Union.

With all the former communist states pursuing tough measures in the switch to market economies, they said, it was increasingly uncertain how far their peoples would continue to accept the heavy costs.

"It seems likely that social unrest will increase in 1992 and that in some countries there will be increasing pressure to dilute or abandon the reform process," the 125-page report for the Economic Commission for Europe added.

Production and consumption levels seemed set to continue to fall and unemployment and inflation to rise and there was a mounting danger that frustration over the hardships would increase demand for "simplistic solutions."

ECE economists promoting the idea say a new recovery program should turn the cash-driven Marshall Plan on its head by focusing

primarily on technical assistance in setting up the essential structures — an efficient banking network, financial and taxation systems, contract laws and legislation protecting property rights — for a successful market economy.

George Marshall, the U.S. secretary of state at the time, started the European Recovery Program in 1947 to revive the continent's stricken economies.

Denounced by Moscow as an instrument of U.S. "economic imperialism," by 1952 when wound up it had pumped some \$13 billion into cash-strapped countries and built the launchpad for the boom of the 1950s and 1960s.

Under the Marshall Plan, only the United States provided aid but today some 24 countries and at least seven world financial organizations are involved in guiding the former communist states out of the ruins of their state-run economies.

## Algiers Lets Foreigners Into Oil, Gas

By Reuters

ALGIERS — Algeria has opened its oil fields, gas reserves and mining operations to foreign companies, giving them the right to share in deposits now being exploited and to seek and exploit new reserves.

The decision, approved by the National People's Assembly on Saturday, should attract welcome hard cash next year and improve long-term better oil production, diplomats and industry experts said.

The government hopes it will help in repaying foreign debt, which is \$3.8 billion this year. It called the measure the decisive "factor in bringing the country out of crisis by using its own means" in its draft to the Assembly.

Prime Minister Sid Ahmed Ghozali put his considerable political muscle into getting the law passed, seeing it as a lifeline for the country's 25 million people.

The Assembly passed the measure concerning oil and gas by 174 votes to 27, with 22 abstentions. A similar law was passed concerning mining operations.

Energy Minister Nordine Ait Laoussine said he hoped the changes will bring \$14 billion in the next 10 years.

Eighteen oil companies have said they are ready to invest in conjunction with Sonatrach, the national energy company. Mr. Ghozali said last week.

Echoing that, an oil industry expert said that "just about every big oil company in the world is interested."

"Shell, BP and Exxon, which

probably have the cash and resources to do it, are very interested," he said. "I know that Nestle, the Finnish firm, is also keen. A lot of its crude came from Russia, which has dried up."

Until now, foreigners have been barred from the oil fields, now producing 800,000 million barrels a day, and gas reserves, that make Algeria the second largest exporter after Indonesia.

They will be allowed a maximum of 49 percent share in any contract with the state monopoly, Sonatrach.

Algeria also hopes foreign expertise and cash will increase output from existing fields to 40 or 50 percent from 22 percent.

Mr. Laoussine said in an interview after the vote that "it is not

## Talks Collapse Between Pirelli And Continental

Compiled by Our Staff From Dispatches

HANNOVER, Germany — Germany's Continental AG and Italy's Pirelli SpA said during the weekend that talks on linking their tire businesses had irretrievably broken down, ending 15 months of struggle and negotiation.

The collapse of the talks will be costly for Pirelli, which initiated them, and which said it had incurred 350 billion lire (\$286 million) in costs related to the aborted merger.

The two groups, the world's fourth- and fifth-largest tiremakers, gave no explanation for the surprise decision, which was announced late Saturday after a meeting of the Pirelli board in Milan.

They said in a statement they had both "come to the conclusion that neither a merger nor a broad, long-term cooperation would be in the best interest of their shareholders, customers and employees."

Industry sources recently cited a dispute over Pirelli's demand that Continental take a stake in its tire subsidiary, Pirelli Tire Holding NV, to help it cover a widening liquidity gap.

The decision draws a final curtain on one of Europe's longest and most chaotic merger attempts.

The scrapped project had aimed to create an international group capable of competing with Michelin, Goodyear and Bridgestone, the world's leading tire manufacturers.

Pirelli also said Saturday that it would have a loss for the year of 670 billion lire, partly as a result of the 350 billion lire in costs.

On Sunday, the executive chairman, Leopoldo Pirelli, said he "assumed full responsibility" for the affair, which he noted was "conducted almost entirely by me directly." But, speaking at a news conference in Rome, he said he would continue in his post to "help the boat come out of the storm."

He said the company would undertake a restructuring involving the sale of its diversified products division, a 526 billion lire capital increase, a 1.5 trillion lire medium-term financing plan drawn up by Mediobanca, the Milan merchant bank, and a reduction by 1.5 trillion lire in net indebtedness to 2.1 trillion lire.

In its Saturday statement, Pirelli, which holds 5 percent of Continental directly, also admitted something Continental had always suspected: that it had agreed to reimburse its allies, who hold 35 percent of Continental's shares, for any losses they suffered. Pirelli said it had agreed to reimburse its allies by Dec. 31 if the two groups had not reached an accord by Nov. 30.

Over the months, the saga cost both firms money and prestige, dragged their share prices lower and cost several top executives their jobs.

Pirelli launched its takeover bid for Continental in mid-1990, but

did not announce it publicly until September.

Continental and its then-chairman, Horst Urban, rejected Pirelli's offer as hostile. Mr. Urban brought in the Deutsche Bank subsidiary Morgan Grenfell to lead its defense, and called the aid of Germany's biggest carmakers, but the battle wound up costing him his job.

Mr. Urban and Continental parted ways in May, paving the way for Continental and Pirelli to resume unconditional talks.

Pirelli also carried out a major management shake-up, whose most recent victim was its finance chief, Andrea Travelli.

The talks were initially strained and halting but they gathered steam after Mr. Urban's successor, Hubert von Grünberg, took over in July. Both companies grew more optimistic, forecasting the talks would reach fruition before year-end.

But Pirelli's stock fell sharply last week on speculation that the negotiations were near collapse. Friday, the stock closed in Milan at 1,645 lire a share, down 85 on the day.

Continental's shares have stabilized recently, but are still down 40 percent from when Pirelli announced its bid. They closed in Frankfurt at 185 Deutsche marks on Friday, down 5 DM.

(Reuters, AP)

## Maxwell Selling 50% Stake in Berliner Verlag

Compiled by Our Staff From Dispatches

BERLIN — The German publishing group Gruner & Jahr AG said Sunday that it was negotiating to buy the half of the publisher Berliner Verlag that is owned by Maxwell Communication Corp.

Gruner & Jahr, which owns the other 50 percent of Berliner Verlag, said it had a first option to buy the Maxwell stake. Berliner Verlag owns the Berliner Zeitung and Wochenpost newspapers.

Der Spiegel magazine said Robert Maxwell's sons, Ian and Kevin, had told Bayerische Vereinsbank to dispose of the Berliner Verlag shares.

The Maxwell family, which owns 68 percent of Maxwell Communication, has debts of around \$1.3 billion.

Another Maxwell operation in Eastern Europe, the evening Budapest newspaper Esti Hirlap, has cut 10 jobs and told journalists that the paper is no longer economically viable, the journalists said Saturday.

(Reuters, AFP)

## WALL STREET REVIEW

Figures as of close of trading Friday, Nov. 29.

NYSE Most Active					AMEX Most Active				
Vol.	High	Low	Last	Chng.	Vol.	High	Low	Last	Chng.
BURGER KING	10	9	9	+ 1/8	BURGER KING	10	9	9	- 1/8
BRUNNEN	5797	5780	5780	- 1/8	BRUNNEN	5797	5780	5780	- 1/8
BRUNNEN	5797	5780	5780	- 1/8	BRUNNEN	5797	5780	5780	- 1/8
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## New International Bond Issues

Compiled by Laurence Deshayes

Issuer	Amount (millions)	Mat.	Coups	Price	Yield	Terms
<b>Floating Rate Notes</b>						
Mortgage Funding Corp. 5	\$110	2035	5%	100		Over 3-month USFR until 1994 and 0.75 over thereafter. Redemptions at 100. First call date at par in 1994. Fees 0.15%. Denominations \$100,000. (Goldman Sachs Int'l)
Mortgage Funding Corp. 5	\$80	2035	0.5%	100		Over 3-month USFR until 1997 and 1.00 over thereafter. Redemptions at 100. Average life 5 years. Fees 0.55%. Denominations \$100,000. (Goldman Sachs Int'l)
<b>Fixed-Coupons</b>						
Crédit Lyonnais	\$270	1994	6%	99.75	99.90	Noncallable. Fees 0.25%. Increased from \$250 million. (Crédit Lyonnais)
Forti	\$150	1996	7%	101.25	99.75	Redemptions at 100.05. Noncallable. Fees 1.5%. Denominations \$100,000. (JP Morgan Securities)
Commerzbank Overseas Finance	DM 300	2001	zero	46.30	46.30	Yield 8.07%. Noncallable. Proceeds 161 million marks. Fees 0.55%. (Commerzbank)
Helabank	DM 150	2002	8%	101.80		Noncallable. Fees 2.5%. Payable in Jan. (DZG bank)
Eurofina	FF 1,500	2003	9%	99.33	99.40	Noncallable. Fees 0.35%. (Crédit Lyonnais)
Spain	FF 6,000	2004	9%	98.76	99.20	Noncallable. Fees 0.35%. (Crédit Lyonnais)
VB Groep	DF 150	1999	9	100%		Noncallable. Fees 1.5%. (BHW Effektenbank)
Inter-American Development Bank	US\$ 11,500	1996	12	101%	99.25	Noncallable. Fees 1.5%. (Banco Portugues de Investimentos)
Caisses Centrales Desjardins du Québec	CS 150	1996	8%	100.75		Redemptions at 100.05. Noncallable. Fees 1.5%. Increased from CS100 million. Redemptions at 99.40. (Wood Gundy)
Finland	CS 250	1998	9	101.65	100.75	Redemptions at 100.05. Noncallable. Fees 1.5%. (Swiss Bank Corp.)
IBM Int'l Finance	CS 100	1996	8%	101.48	100.27	Redemptions at 99.85. Noncallable. Fees 1.5%. (Merrill Lynch)
Kansai Electric Power	CS 250	1996	8%	100.925	100.15	Redemptions at 99.20. Noncallable. Fees 1.5%. (Wood Gundy)
Oesterreichische Kontrollbank	CS 200	1997	8%	101.225	99.63	Redemptions at 100. Noncallable. Fees 1.5%. Payable in Jan. (Goldman Sachs Int'l)
Sumitomo Chemical	¥15,000	1997	6.3%	101%		Redemptions at par. Noncallable. Fees 1.5%. Denominations 10 million yen. (Mitsubishi Int'l)
Sumitomo Chemical	¥15,000	1999	6.4%	101.7%		Redemptions at 100.20. Noncallable. Fees 1.5%. Denominations 10 million yen. (Mitsubishi Int'l)
<b>Equity-Linked</b>						
Cosco Computer	\$250	1995	3%	100		Noncallable. Each \$10,000 note with two warrants exercisable into company's shares at 1.344 yen per share and at 125.00 yen per dollar. Fees 2.5%. (Daiwa Europe)
Daewoo	\$150	1996	5%	100		Noncallable. Each \$10,000 note with two warrants exercisable into company's shares at 17,860 won per share, a 6.6% premium, and at 254.50 won per dollar. Fees 2.5%. (Daewoo Securities Europe)
Moscow Homes Co.	\$140	1995	3%	100		Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 26% premium. Fees 2.5%. Terms to be set Dec. 4. (Mitsubishi Int'l)
Sarwa Shutter	\$260	1995	3%	100		Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2.5%. Terms to be set Dec. 2. (Daiwa Europe)
Seiren	\$100	1995	3%	100	102.00	Noncallable. Each \$10,000 note with two warrants exercisable into company's shares at 1,580 yen per share, a 2.51% premium, and at 101.35 yen per dollar. Fees 2.5%. (Mitsubishi Int'l Europe)
Shinsho	DM 90	1995	5%	100	99.63	Noncallable. Each \$10,000 note with five warrants exercisable into company's shares at an expected 25% premium. Fees 2.5%. Terms to be set Dec. 2. (Mitsubishi Bank)
SRI Corp.	DM 125	1995	5%	100	98.50	Noncallable. Each \$10,000 note with five warrants exercisable into company's shares at 1,189 yen per share and at 61.07 yen per mark. Fees 2.5%. (Commerzbank)

## Grim Forecasts Boost Bonds

By Kenneth N. Gilpin

New York Times Service

NEW YORK — Anticipation that key economic reports due this week will show little evidence of a U.S. recovery is helping push up prices of Treasury bonds.

Prices of bonds and longer-term

## U.S. CREDIT MARKETS

notes rose on Friday, and interest rates moved lower.

And rumors late last week of a possible Soviet coup only added to the demand for Treasuries, buoying the three- and six-month bills.

Virtually all the price movement occurred during overnight trading in Asia and then later in European financial markets. Activity in the United States was extremely light, as most domestic participants extended their Thanksgiving holiday.

Treasury securities are benefiting from the widespread belief that November employment data and other key economic reports due this week will offer little evidence to suggest the recovery is gaining mo-

mentum, thus easing traders' inflation fears. Many analysts anticipate the data will reinforce worries that the recession has returned.

A new round of weak economic statistics will probably heighten anxiety in Washington, but credit market participants will not have to worry about further substantive debate on how to stimulate the economy for six weeks or so.

The departure of Congress on Wednesday comes as a welcome relief to the market, and may provide some support over the coming week," analysts at MMS International, an economic information and service company, noted in their daily market commentary.

In the secondary market for Treasury securities, the 8 percent 30-year bonds of 2021 closed Friday at a price of 100 24/32, up 17/32 on the week to yield 7.94 percent, compared with 7.98 percent a week earlier.

The 7.50 percent 10-year Treasury notes closed at 100 28/32, up 14/32 on the week to yield 7.38 percent, down from 7.44.

The new 6.50 percent five-year notes sold earlier in the week closed at 100 3/32 to yield 6.49 percent. And the new 5.50 percent two-year notes auctioned on Monday ended at 100 8/32 to yield 5.38 percent.

Talk about another Soviet coup attempt had the initial effect of pushing up the value of the dollar on foreign exchange markets Friday, and persuaded some investors to seek a haven in Treasury bills.

Three-month bills were offered late on Friday at a discount rate of 4.34 percent, down 3 basis points, or hundredths of a percentage point. Six-month bill rates fell by 4 basis points, to a late offered rate of 4.38 percent.

In other developments, the Federal Reserve Board reported Friday that all three measures of the nation's money supply rose during the week ended Nov. 18. The reported gains, particularly the \$5.2 billion increase in M-2, the aggregate most closely followed by the Fed, were a bit larger than most analysts had anticipated.

## SBC, Salomon Picked To Sell Chinese Stocks

Agence France-Press

HONG KONG — China has picked Swiss Bank Corp., Salomon Brothers Inc. and a major Hong Kong brokerage to market its first issue of stocks aimed at foreign investors, it was announced over the weekend.

Swiss Bank, Salomon's Hong Kong unit and Sun Hing Kai Co. were chosen to sell 80 percent of the 100-million-yuan (\$18.5 million) issue of stock for Shanghai Vacuum Electronics Devices Co. The shares will be denominated in Chinese currency but sold for hard currency, based on the exchange rates prevailing in China's state-run currency swap centers.

The announcement, made Saturday in Shanghai and reported by Xinhua news agency, comes nearly a year after the opening of the Shanghai Securities Exchange.

Until now only Chinese have been able to buy any of the eight stocks listed at the exchange, whose index has soared 150 percent since it opened last Dec. 19. Foreign investors will be allowed to transfer dividends or profits abroad after taxation.

Yih Leisheng, executive director of Sun Hing Kai, quoted by Xinhua, said he expected most of the shares his firm will handle to be sold to institutional investors.

Sun Hing Kai will market 16 percent of the "B" shares, Salomon Brothers Hong Kong Ltd. 32 percent, and Swiss Bank 32 percent. Xinhua did not say how the remaining 20 percent would be sold.

## ASIANS: 50 Years After Pearl Harbor, a Growing Sphere of Japanese Influence in Asia

(Continued from page 1)

Asian Coprosperity Sphere, they applied a harsh regime in which tens of thousands of people were executed, often after torture, or died of hunger and illness.

In several countries, there was organized resistance to Japanese rule that intensified as time passed.

Yoshio Aramaki, author of a book on Japan's wartime behavior, said the country's biggest mistake was its Asia policy.

The militarists in power alienated fellow Asians by replacing European colonial rule with even harsher Japanese rule," he said.

Twenty million Asians are estimated to have died in the Japanese invasion of China and Southeast Asia between 1937 and 1945. In that period, 3.1 million Japanese soldiers died.

Japanese businesses can either treat Southeast Asian companies "as partners in progress, or as eventual competitors to be kept down," said Ho Kwon Ping, president of Wah Chang International Corp., based in Singapore.

Mr. Ho said that it was not difficult for Japanese companies to extend a paternalistic helping hand to Southeast Asian companies when they were lagging far behind.

But as regional companies narrow the gap with their Japanese counterparts, "the good-will will be put to the test," he added.

One reason officials and executives in the region suspect that Japan may be bent on domination is the perceived unwillingness of

many Japanese firms to transfer technology and management skills. Others are a perceived reluctance to promote Southeast Asians to senior decision-making positions, or to buy a large portion of the components needed for manufacturing from local suppliers.

Jovito Salonga, president of the Philippine Senate, said that he was uncertain about the ultimate intention of Japan in Southeast Asia.

In the Philippines, he said, "the attitude toward Japan is ambivalent."

And yet, Mr. Salonga added, "Japan is now our biggest aid donor, and we appreciate what it has been doing for our country in recent years."

As the influence of the United States and Europe diminishes, some Southeast Asian officials worry that Japan's position as the leading source of trade, aid and investment will lead to domination.

The Japanese government and business community insist they have no such agenda. "We are seeking coprosperity, not domination," said Eichi Matsumoto, vice chairman of Bank of Tokyo. The spread of economic growth through East Asia, he added, "is beneficial for all parties."

Wary of offending the United States and the European Community, Japan has recently made a point of declining an offer to join an East Asian Economic Caucus sponsored by Malaysia.

Malaysian officials say the caucus would

strengthen regional economic integration and promote free trade.

But Saburo Kawai, vice chairman of Keizai Doyukai, the Japanese Association of Corporate Executives, said, "If Asia gives the impression that it is forming a bloc, that will drive the U.S. and the EC to form blocs, too."

Despite a continued eagerness to attract American and European investment, countries of ASEAN, the Association of South East Asian Nations, find they must turn increasingly to Japan, Taiwan and South Korea for capital, technology and skills to help power their rapidly expanding economies.

The ASEAN members are Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

With a population of 335 million, ASEAN offers Japanese industry many of the things Japan lacks — a rapidly growing market, relatively low-cost land and labor, and abundant natural resources.

In the 1980s, ASEAN countries recorded an average growth rate of 6.6 percent a year after adjustment for inflation, compared with 2.9 percent a year for industrial nations in the Organization for Economic Cooperation and Development.

The real growth rate of ASEAN economies was 7.7 percent in 1990 and is expected to slow only slightly in 1991.

Some ASEAN countries seem confident that growing investment from non-Japanese

Asian states — as well as smaller, but still substantial, capital inflow from the United States, the EC and Australia — will continue to provide a sufficient counterbalance to Japan to prevent Japanese domination and control.

In 1970, only 12 percent of all foreign direct investment in manufacturing, trade, construction and services recorded by ASEAN came from Japan, while 20 percent was from Europe and just over 50 percent from the United States.

By 1990, the United States and Europe each had a share of less than 5 percent while Japan's stake had surged to 40 percent of the total.

At the end of March, Japanese investment in Asia amounted to \$47.5 billion, or just over 15 percent of Japanese investment worldwide.

Koji Tajika, executive director of international operations of Tohatsu & Co., Japan's largest professional services firm, said that although Japanese overseas investment was likely to slow in the next few years, there will be "increasing emphasis on Asia" because of the region's growth potential and proximity to Japan.

Japan's direct investment in Southeast Asia is "increasingly driven by the objective of establishing strategic control" of a market of 600 million consumers that will emerge by the turn of the century, said Kenneth S. Courtis, strategist and senior economist for the Deutsche Bank group in Tokyo.

## BONDS: Faint Dollar Recovery Doesn't Mean a Surge

(Continued from first finance page)

particularly profitable exercise as it currently costs just under 5 percent to borrow three-month Eurodollars that can then be invested in bonds yielding much more.

For example, Forti, the U.S. bond group, last week issued \$150 million of five-year notes carrying a coupon of 7 1/4 percent, that were offered at a slight discount to yield 7.8 percent. That's a huge return for investors playing the yield curve and willing to accept the A credit standing of Forti.

But that's also not a game open to the traditional retail clients active in the bond market. As a result, dollar corporate debt needs to be priced generously to attract institutional investors. Thus, the offering yield on the Forti paper was set at 1.1 percentage points, or 110 basis points, over the yield on U.S. government debt when in the secondary market, outstanding A rated

bonds trade at a spread of 90-to-100 basis points.

In general, with retail clients retreating from the market, spreads on dollar-denominated corporate Eurobonds are widening relative to spreads available in the New York market.

Institutional investors also remain attracted to Canadian dollar bonds, which offer higher yields than available in U.S. dollars, but trade actively, outperforming domestic "best week's" new issues mostly needed water. The exception is Kansai Electric, which found favor with Japanese investors.

European retail and institutional demand is increasingly focused on European currencies, particularly the French franc and the mark.

Spain last week created a benchmark 13-year issue that started out at 5 billion francs and before syndication was closed had been increased to 6 billion francs — mak-

ing it the largest ever Euro-French franc offering.

The bonds carry a coupon of 9 1/4 percent and were initially offered at a discount of 98 1/8 for a yield of 9.42 percent. This was equal to a pick-up of 40 basis points over the yield on French government debt. By the end of the week, the paper was bid at 99.05 and trading at a narrow 5 centime difference between bid and offered price — typical of large, liquid issues.

Although Spain is rated AA, its bond outperformed the 1.5-billion franc issue from AAA-rated Eurofrime. Its 12-year bonds also carried a coupon of 9 1/4 percent, but offered at 99.33 the yield was 9.35 percent, or a pick-up of only 35 basis points.

Crédit Lyonnais, lead manager of both issues, estimated that not more than a quarter of the Spanish issue was taken by domestic investors whereas demand for Eurofrime was about evenly divided between local and nonresident investors.

## WORLD STOCKS IN REVIEW

See Agence France-Press

## Amsterdam

Amsterdam shares weakened last week on discouraging U.S. economic data and high inflation figures in Germany that made investors doubtful about lower German interest rates in the near future.

The CBS all-share index finished the week at 192.4 points against 194.7 the previous Friday. Equity trading volume was a low 2.5 billion guilders after 3.4 billion the previous week.

The Kempen & Co. brokerage said that in the absence of unexpected good news, the Amsterdam market was likely to head lower.

## Frankfurt

The Frankfurt stock market stood up well to a depressed mood, operators said, and the DAX spot trend indicator lost only 22.59 points on the week to close at 1,566.57 points.

Operators said the market was worried about the Soviet financial situation, and a large part of the week's losses was due to that. In addition, investors were concerned that German inflation is now above 4 percent a year.

Volume on the eight German exchanges totaled 22.36 billion Deutsche marks against 20.14 billion for the previous week, which had only four trading days.

The bond market declined, and the average yield on government issues finished the week at 8.60 percent, against 8.54 the previous Friday.

## Hong Kong

Fears of possible U.S. trade retaliation against China triggered a slide in the Hang Seng Index, which lost 93.27 points over the week or 2.2 percent to close Friday at 4,149.80.

Average daily volume fell sharply to 1.14 billion Hong Kong dollars from the previous week's 1.81 billion dollars.

The Hang Seng fell Monday through Thursday, with a small rebound Friday. It was affected by a U.S. consumer league for a

boycott of China-made toys suspected of being made by children, and by worries about U.S. trade retaliation against China after failed talks on intellectual property rights.

## London

Leading stocks lost one percent on the week as the background of political uncertainty continued to undermine the pound, leaving brokers concerned about a potential rise in interest rates as the economy struggles out of recession.

Brokers at Nomura Research cut their year-end forecast for the FTSE 100 index by 100 points to 2,400.

On Friday, the index of 100 leading shares finished marginally above this level at 2,420.2, down 26.1 points on the week.

Banking and insurance stocks were among the biggest losers after Royal Bank of Scotland announced annual results including a much larger-than-expected provision for bad debts and brokers at Barclays de Zoete Wedd increased its loss predictions for the insurance group Son Alliance.

## Milan

The Milan stock market was in a good mood this past week, helped by a start to screen trading, and the MIB index rose by 2.46 percent Friday to Friday.

Operators said trading volume was higher than the previous week, up to a daily average of 33 million shares changing hands a day against 28 million.

But the mood was darkened on Friday due to a postponement of settlement day for the November trading month in connection with a brokerage house's bankruptcy.

## Paris

The Paris Bourse remained depressed, primarily because of markedly lower volume, but the CAC-40 stock price index managed to end the week almost unchanged at 1,739.70 points, off a mere 0.09 percent from the previous Friday.

Operators noted that was a sharp

improvement from the 6.7 percent plunge suffered the previous week. They said a slight downturn in French short-term interest rates, bringing them back below the 10-percent mark, helped the Bourse calm down, but did not lead investors to rush back to market.

Operators said foreign investors were the main sellers on the Bourse this past week. The takeover bids launched by Pininfarina for Printemps and the Agnellis for Exor did not boost the market, they said.

## Singapore

Trading in Singapore was damped by the weak performance of major overseas bourses, brokers said. The key Straits Times industrial index slipped 2.82 points to 1,453.20.

The week's volume slumped to 137.3 million shares from 310 million the previous week.

## Tokyo

Share prices fell on the Tokyo Exchange for the third straight week, as the Nikkei Average of 225 blue chips closed at 22,687.55, a 430.04-yen or 1.86 percent fall on the week.

It was the first time in two and a half months that the key market indicator went below the 23,000-yen level.

Average daily volume slumped from the previous week's 280 million shares to 216.6 million shares.

Market analysts said the market is ready to rebound. The Nikkei plunged 2,335 yen or 10 percent in November, ignoring the 0.5 point cut in the discount rate by the Bank of Japan on Nov. 14, they said.

## Zurich

The Zurich market was in hibernation, operators said, and the Swiss Performance Index lost 15.93 points or 1.5 percent on the week to end at 1,041.3 points.

Volume was very low, averaging around 300 million Swiss francs a day, so that price changes were exaggerated, they said. Operators expected more market pessimism.

## Financing major projects - BNP's global role.

Balance sheet size, client base and branch network all shape a major bank but it is the vision and size of the projects financed by BNP that make it a truly global bank.

These are some of the major projects currently financed by BNP throughout the world:

**Cogen Technologies - USA:** USD 500 million. BNP is Arranger and Underwriter for this large natural gas co-generation project (614 MW).

**Cananea - Mexico:** USD 500 million. BNP is Arranger and Underwriter of a Debt/Equity swap for one of the world's largest copper mines.

**Hotel Meridien - Barcelona - Spain:** ESP 615 billion. BNP is Arranger and Agent for non-recourse facilities to finance 218 room 5 star hotel.

## Lead managers for:

**Mexico:** Tuxpan thermal power station (GEC Alsthom) - FRF 2.2 billion.

**China:** Pingguo aluminium plant - FRF 250 million.

**Hainan Airport (SPIE Batignolles)** FRF 250 million.

**Morocco:** Jorf Las Far thermal power station - FRF 1 billion.

**O.N.P.T. Alcatel - central telephone exchange** - FRF 350 million.



Banque Nationale de Paris.

World banking is our business.



Sales In				Net	Amistar	241	2%	2%	2%
100s	High	Low	Close	Ch'ge	Amoska	177	17%	14% <th>16%</th>	16%
					Amipen	1	12%	13%	13%

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City \_\_\_\_\_ Country \_\_\_\_\_  
Telephone \_\_\_\_\_ Fax \_\_\_\_\_

حسبنا الله ونعم الوكيل



OTC Consolidated trading for week ended Friday, Nov. 29	Sales In	190s	High	Low	Close	Ch
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Commodities like spice have been part of the traditional market in the Gulf, the hub of world trade, for more than 2,000 years.

These days the spice trade has been replaced by international commerce and while quaint spice stalls can still be found, the pace of modern business in the region is as exciting as it is rewarding.

The Gulf and Gulf Air remain ideally placed to serve the business travellers of today. Boasting more routes into and around the region, we know it's the perfect spot to break your journey to conduct business or even to relax a little.

And Gulf Air flies between four continents via the Gulf, to cities as far apart as Paris, Singapore, London and Sydney.

Whatever your destination, you can look forward to the delights of flying, Gulf Air style.

A style borne of another age-old tradition - hospitality.

So why not fly with Gulf Air and  
discover the Gulf en route.



**طيران الخليج**  
**GULF AIR**

FLYING WITH STYLE



OTC Consolidated trading for week ended Friday, Nov. 28					
Sales In 100s	High	Low	Close	New CHY's	
Aluminum	79.00	78.00	78.00	1	
Copper	100.00	99.00	99.00	1	
Gold	100.00	99.00	99.00	1	
Palladium	100.00	99.00	99.00	1	
Silver	100.00	99.00	99.00	1	
Platinum	100.00	99.00	99.00	1	
Rhenium	100.00	99.00	99.00	1	
Rosin	100.00	99.00	99.00	1	
Tungsten	100.00	99.00	99.00	1	
Zinc	100.00	99.00	99.00	1	

OTC Consolidated trading Friday, Nov. 29

(Continued)

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100% High Low Close Chg%					Z				
Killins	18040	294%	23	- 1/4	Z Savri	254	174%	18	-
Wynetic	520	174%	19%	- 2 1/2	Zong	664	174%	17	+ 1/4
Wynetec	520	174%	19%	- 2 1/2	Zani, Inc	787	144%	15%	+ 1/4
					Zong	267	144%	14%	+ 1/4
					Zebos	5	2%	2%	+ 1/4
					Zos	89	16	6	- 2
					ZincB	1.66	24	7%	7%
					ZincC	21	7%	7%	7%
					ZincD	1902	12%	4%	4%
					ZincE	4%	4%	4%	4%

## MUTUAL FUNDS

Figures as of close of trading Friday, Nov. 29.

(Continued from Page 10)

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**For investment information**

read THE MONEY REPORT  
every Saturday in the IHT

## CHICAGO EXCHANGE OPTIONS

Figures as of close of trading  
Friday, Nov. 29.

Option & Price	Call	Put	1250	1255	1260	1265	1270	1275	1280	1285	1290	1295	1300	1305	1310	1315	1320	1325	1330	1335	1340	1345	1350	1355	1360	1365	1370	1375	1380	1385	1390	1395	1400	1405	1410	1415	1420	1425	1430	1435	1440	1445	1450	1455	1460	1465	1470	1475	1480	1485	1490	1495	1500	1505	1510	1515	1520	1525	1530	1535	1540	1545	1550	1555	1560	1565	1570	1575	1580	1585	1590	1595	1600	1605	1610	1615	1620	1625	1630	1635	1640	1645	1650	1655	1660	1665	1670	1675	1680	1685	1690	1695	1700	1705	1710	1715	1720	1725	1730	1735	1740	1745	1750	1755	1760	1765	1770	1775	1780	1785	1790	1795	1800	1805	1810	1815	1820	1825	1830	1835	1840	1845	1850	1855	1860	1865	1870	1875	1880	1885	1890	1895	1900	1905	1910	1915	1920	1925	1930	1935	1940	1945	1950	1955	1960	1965	1970	1975	1980	1985	1990	1995	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050	2055	2060	2065	2070	2075	2080	2085	2090	2095	2100	2105	2110	2115	2120	2125	2130	2135	2140	2145	2150	2155	2160	2165	2170	2175	2180	2185	2190	2195	2200	2205	2210	2215	2220	2225	2230	2235	2240	2245	2250	2255	2260	2265	2270	2275	2280	2285	2290	2295	2300	2305	2310	2315	2320	2325	2330	2335	2340	2345	2350	2355	2360	2365	2370	2375	2380	2385	2390	2395	2400	2405	2410	2415	2420	2425	2430	2435	2440	2445	2450	2455	2460	2465	2470	2475	2480	2485	2490	2495	2500	2505	2510	2515	2520	2525	2530	2535	2540	2545	2550	2555	2560	2565	2570	2575	2580	2585	2590	2595	2600	2605	2610	2615	2620	2625	2630	2635	2640	2645	2650	2655	2660	2665	2670	2675	2680	2685	2690	2695	2700	2705	2710	2715	2720	2725	2730	2735	2740	2745	2750	2755	2760	2765	2770	2775	2780	2785	2790	2795	2800	2805	2810	2815	2820	2825	2830	2835	2840	2845	2850	2855	2860	2865	2870	2875	2880	2885	2890	2895	2900	2905	2910	2915	2920	2925	2930	2935	2940	2945	2950	2955	2960	2965	2970	2975	2980	2985	2990	2995	3000	3005	3010	3015	3020	3025	3030	3035	3040	3045	3050	3055	3060	3065	3070	3075	3080	3085	3090	3095	3100	3105	3110	3115	3120	3125	3130	3135	3140	3145	3150	3155	3160	3165	3170	3175	3180	3185	3190	3195	3200	3205	3210	3215	3220	3225	3230	3235	3240	3245	3250	3255	3260	3265	3270	3275	3280	3285	3290	3295	3300	3305	3310	3315	3320	3325	3330	3335	3340	3345	3350	3355	3360	3365	3370	3375	3380	3385	3390	3395	3400	3405	3410	3415	3420	3425	3430	3435	3440	3445	3450	3455	3460	3465	3470	3475	3480	3485	3490	3495	3500	3505	3510	3515	3520	3525	3530	3535	3540	3545	3550	3555	3560	3565	3570	3575	3580	3585	3590	3595	3600	3605	3610	3615	3620	3625	3630	3635	3640	3645	3650	3655	3660	3665	3670	3675	3680	3685	3690	3695	3700	3705	3710	3715	3720	3725	3730	3735	3740	3745	3750	3755	3760	3765	3770	3775	3780	3785	3790	3795	3800	3805	3810	3815	3820	3825	3830	3835	3840	3845	3850	3855	3860	3865	3870	3875	3880	3885	3890	3895	3900	3905	3910	3915	3920	3925	3930	3935	3940	3945	3950	3955	3960	3965	3970	3975	3980	3985	3990	3995	4000
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## AMERICAN EXCHANGE OPTIONS

Figures as of close of trading  
Friday, Nov. 29

[illegible]

Option & price	Colls	Puts	Option & price	Colls	Puts		
Amstar 15	15	15	Sumco 25	25	15-14	r	r
Amstar 25	25	25	Sumco 35	35	25	r	r
Amstar 35	35	25	Sumco 45	45	35	r	r
Amstar 45	45	25	Sumco 55	55	45	r	r
Amstar 55	55	25	Sumco 65	65	55	r	r
Amstar 65	65	25	Sumco 75	75	65	r	r
Amstar 75	75	25	Sumco 85	85	75	r	r
Amstar 85	85	25	Sumco 95	95	85	r	r
Amstar 95	95	25	Sumco 105	105	95	r	r
Amstar 105	105	25	Sumco 115	115	105	r	r
Amstar 115	115	25	Sumco 125	125	115	r	r
Amstar 125	125	25	Sumco 135	135	125	r	r
Amstar 135	135	25	Sumco 145	145	135	r	r
Amstar 145	145	25	Sumco 155	155	145	r	r
Amstar 155	155	25	Sumco 165	165	155	r	r
Amstar 165	165	25	Sumco 175	175	165	r	r
Amstar 175	175	25	Sumco 185	185	175	r	r
Amstar 185	185	25	Sumco 195	195	185	r	r
Amstar 195	195	25	Sumco 205	205	195	r	r
Amstar 205	205	25	Sumco 215	215	205	r	r
Amstar 215	215	25	Sumco 225	225	215	r	r
Amstar 225	225	25	Sumco 235	235	225	r	r
Amstar 235	235	25	Sumco 245	245	235	r	r
Amstar 245	245	25	Sumco 255	255	245	r	r
Amstar 255	255	25	Sumco 265	265	255	r	r
Amstar 265	265	25	Sumco 275	277	265	r	r
Amstar 277	277	25	Sumco 285	285	277	r	r
Amstar 285	285	25	Sumco 295	295	285	r	r
Amstar 295	295	25	Sumco 305	305	295	r	r
Amstar 305	305	25	Sumco 315	315	305	r	r
Amstar 315	315	25	Sumco 325	325	315	r	r
Amstar 325	325	25	Sumco 335	335	325	r	r
Amstar 335	335	25	Sumco 345	345	335	r	r
Amstar 345	345	25	Sumco 355	355	345	r	r
Amstar 355	355	25	Sumco 365	365	355	r	r
Amstar 365	365	25	Sumco 375	375	365	r	r
Amstar 377	377	25	Sumco 385	385	377	r	r
Amstar 385	385	25	Sumco 395	395	385	r	r
Amstar 395	395	25	Sumco 405	405	395	r	r
Amstar 405	405	25	Sumco 415	415	405	r	r
Amstar 415	415	25	Sumco 425	425	415	r	r
Amstar 425	425	25	Sumco 435	435	425	r	r
Amstar 435	435	25	Sumco 445	445	435	r	r
Amstar 445	445	25	Sumco 455	455	445	r	r
Amstar 455	455	25	Sumco 465	465	455	r	r
Amstar 465	465	25	Sumco 477	477	465	r	r
Amstar 477	477	25	Sumco 485	485	477	r	r
Amstar 485	485	25	Sumco 495	495	485	r	r
Amstar 495	495	25	Sumco 505	505	495	r	r
Amstar 505	505	25	Sumco 515	515	505	r	r
Amstar 515	515	25	Sumco 525	525	515	r	r
Amstar 525	525	25	Sumco 535	535	525	r	r
Amstar 535	535	25	Sumco 545	545	535	r	r
Amstar 545	545	25	Sumco 555	555	545	r	r
Amstar 555	555	25	Sumco 565	565	555	r	r
Amstar 565	565	25	Sumco 577	577	565	r	r
Amstar 577	577	25	Sumco 585	585	577	r	r
Amstar 585	585	25	Sumco 595	595	585	r	r
Amstar 595	595	25	Sumco 605	605	595	r	r
Amstar 605	605	25	Sumco 615	615	605	r	r
Amstar 615	615	25	Sumco 625	625	615	r	r
Amstar 625	625	25	Sumco 635	635	625	r	r
Amstar 635	635	25	Sumco 645	645	635	r	r
Amstar 645	645	25	Sumco 655	655	645	r	r
Amstar 655	655	25	Sumco 665	665	655	r	r
Amstar 665	665	25	Sumco 677	677	665	r	r
Amstar 677	677	25	Sumco 685	685	677	r	r
Amstar 685	685	25	Sumco 695	695	685	r	r
Amstar 695	695	25	Sumco 705	705	695	r	r
Amstar 705	705	25	Sumco 715	715	705	r	r
Amstar 715	715	25	Sumco 725	725	715	r	r
Amstar 725	725	25	Sumco 735	735	725	r	r
Amstar 735	735	25	Sumco 745	745	735	r	r
Amstar 745	745	25	Sumco 755	755	745	r	r
Amstar 755	755	25	Sumco 765	765	755	r	r
Amstar 765	765	25	Sumco 777	777	765	r	r
Amstar 777	777	25	Sumco 785	785	777	r	r
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Amstar 805	805	25	Sumco 815	815	805	r	r
Amstar 815	815	25	Sumco 825	825	815	r	r
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Amstar 835	835	25	Sumco 845	845	835	r	r
Amstar 845	845	25	Sumco 855	855	845	r	r
Amstar 855	855	25	Sumco 865	865	855	r	r
Amstar 865	865	25	Sumco 877	877	865	r	r
Amstar 877	877	25	Sumco 885	885	877	r	r
Amstar 885	885	25	Sumco 895	895	885	r	r
Amstar 895	895	25	Sumco 905	905	895	r	r
Amstar 905	905	25	Sumco 915	915	905	r	r
Amstar 915	915	25	Sumco 925	925	915	r	r
Amstar 925	925	25	Sumco 935	935	925	r	r
Amstar 935	935	25	Sumco 945	945	935	r	r
Amstar 945	945	25	Sumco 955	955	945	r	r
Amstar 955	955	25	Sumco 965	965	955	r	r
Amstar 965	965	25	Sumco 977	977	965	r	r
Amstar 977	977	25	Sumco 985	985	977	r	r
Amstar 985	985	25	Sumco 995	995	985	r	r
Amstar 995	995	25	Sumco 1005	1005	995	r	r
Amstar 1005	1005	25	Sumco 1015	1015	1005	r	r
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Amstar 1045	1045	25	Sumco 1055	1055	1045	r	r
Amstar 1055	1055	25	Sumco 1065	1065	1055	r	r
Amstar 1065	1065	25	Sumco 1077	1077	1065	r	r
Amstar 1077	1077	25	Sumco 1085	1085	1077	r	r
Amstar 1085	1085	25	Sumco 1095	1095	1085	r	r
Amstar 1095	1095	25	Sumco 1105	1105	1095	r	r
Amstar 1105	1105	25	Sumco 1115	1115	1105	r	r
Amstar 1115	1115	25	Sumco 1125	1125	1115	r	r
Amstar 1125	1125	25	Sumco 1135	1135	1125	r	r
Amstar 1135	1135	25	Sumco 1145	1145	1135	r	r
Amstar 1145	1145	25	Sumco 1155	1155	1145	r	r
Amstar 1155	1155	25	Sumco 1165	1165	1155	r	r
Amstar 1165	1165	25	Sumco 1177	1177	1165	r	r
Amstar 1177	1177	25	Sumco 1185	1185	1177	r	r
Amstar 1185	1185	25	Sumco 1195	1195	1185	r	r
Amstar 1195	1195	25	Sumco 1205	1205	1195	r	r
Amstar 1205	1205	25	Sumco 1215	1215	1205	r	r
Amstar 1215	1215	25	Sumco 1225	1225	1215	r	r
Amstar 1225	1225	25	Sumco 1235	1235	1225	r	r
Amstar 1235	1235	25	Sumco 1245	1245	1235	r	r
Amstar 1245	1245	25	Sumco 1255	1255	1245	r	r
Amstar 1255	1255	25	Sumco 1265	1265	1255	r	r
Amstar 1265	1265	25	Sumco 1277	1277	1265	r	r
Amstar 1277	1277	25	Sumco 1285	1285	1277	r	r
Amstar 1285	1285	25	Sumco 1295	1295	1285	r	r
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Amstar 1365	1365	25	Sumco 1377	1377	1365	r	r
Amstar 1377	1377	25	Sumco 1385	1385	1377	r	r
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Amstar 1695	1695	25	Sumco 1705	1705	1695	r	r
Amstar 1705	1705	25	Sumco 1715	1715	1705	r	r
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Amstar 1755	1755	25	Sumco 1765	1765	1755	r	r
Amstar 1765	1765	25	Sumco 1777	1777	1765	r	r
Amstar 1777	1777	25	Sumco 1785	1785	1777	r	r
Amstar 1785	1785	25	Sumco 1795	1795	1785	r	r
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## Mexico's Bolsa Cooling Down

MEXICO CITY — Mexican stocks, whose main index has nearly doubled in value this year, could be reaching the end of a spectacular run. Growth rates may fall by more than half next year, market analysts said.

The outlook for 1992 depends largely on the signing of a North American Free Trade Agreement, and some analysts said nervousness over a possible postponement of the accord until 1993 has already shaken the market, or Bolsa.

"Real growth in 1992 could be around 3.5 percent, but it is bound to be less without the free trade agreement next year," said Roberto Barrera, chief analyst at the Iberoamerica brokerage.

Mr. Barrera said he had already heard officials from Mexico's Foreign Trade Ministry warning of a delay in the pact, which the government had hoped to sign early next year.

U.S. legislators have said the accord could be put on hold if it is not completed soon.

There are fears it would hurt President George Bush's 1993 reelection prospects if talks continued against the backdrop of a sluggish U.S. economy.

As long as there is no advance on the free trade area, "the Bolsa will show a lateral tendency," said Jaime Aguilera, an analyst at the Probusa brokerage.

"Long-term investors will have to stop wondering whether it will be signed in six months or a year."

The important thing is that it will be signed," he said.

Analysts said the growth in the Bolsa Price Index, which the Mexican National Securities Commission says has grown 92 percent so far this year, is likely to retreat to less than half that level in 1992.

"There's still going to be good investment but we're not going to see another 90/91. We're expecting to see real growth of around 15-20 percent next year," said Miguel de Lascruain, joint head of analysis at Operador de Bolsa.

This year's success, analysts said, was inflated largely by the one-time \$4 billion global share placement of the privatized telecommunications monopoly, Telefonos de Mexico, which accounts for about a third of Mexican market volume.

The index passed 1,400 points in mid-November but has since lost over 5 percent to end at 1,384.18 Friday.

Prices have been driven down by the weak U.S. economic outlook and fears the free trade area would be delayed, analysts said.

They said grim prospects on Wall Street had brought daily trading volume on the Bolsa down from an average \$120 million to around \$70 million recently, as foreign investors acted cautiously.

Except in some sectors, such as the communications, cement and banking industries, Mexican firms are not showing year-end growth rates as high as had been expected earlier in the year, analysts said.

## Ruling Could Cost USX \$400 Million

By Barnaby J. Feder

New York Times Service

NEW YORK — A U.S. magistrate has concluded that USX Corp. should pay \$409.5 million to 12,000 former shareholders of Marathon Oil Co.

The magistrate said USX improperly accepted some shares that were tendered after a deadline during the steel company's 1981 battle for control of Marathon.

The extra stock gave USX, then known as U.S. Steel Corp., a tactical advantage in its bidding war with Mobil Corp. but resulted in a lower payout to those who tendered on time.

"They just wanted to win and didn't care how," said Dale Schreiber, a New York lawyer who represents the shareholders who met the deadline.

USX's offices were closed Friday, and the operator at the company's switchboard said no one could be reached for comment.

The shareholders and the company will now go before Federal Judge Kimba M. Wood to argue whether the magistrate's decision should be entered as a court order.

Richard A. Bicks, a New York lawyer who represents USX, described the opinion, which was released on Wednesday, as "unexpected" and "a bombshell."

Judge Wood, the fourth judge to have responsibility for the case since it was filed in 1982, had asked the magistrate, Leonard A. Bernick, in 1989 to hear the arguments covering liability and damages.

It is not clear how much of the

judgment that USX will end up paying even if Judge Wood adopts Mr. Bernick's conclusions. About 115,000 of the 7.7 million post-deadline shares were late because of a failure by Donaldson, Lufkin & Jenrette Inc. to deliver them promptly. The Wall Street broker has agreed to pay USX's costs related to those shares.

Further, USX and Bankers Trust New York Corp., which served as depository for the shares, have disputed which of them is responsible for the acceptance of about 4 million of the shares. That dispute had been put on hold but is expected to resume if the decision is affirmed.

USX had a loss of \$184 million on revenue of \$13.95 billion in the first nine months of this year. The results included a \$346 million restructuring charge.

Last year, it had earnings of \$306 million on revenue of \$6.07 billion. In May, the company's steel and oil operations were split into separate entities, USX-Marathon Group and USX-Steel Group, each with its own New York Stock Exchange listing.

A proxy statement issued to shareholders at that time described the litigation among the legal proceedings of USX-Marathon but did not mention it under USX-Steel's potential legal liabilities. It remains unclear how liabilities were distributed between the two entities and what, if any, reserves have been set aside for this case.

USX-Steel stock closed Friday at \$25.50 a share, off 50 cents, while USX-Marathon stock fell \$1.125 a share, to \$27.

## ALGERIA: Trying to Cut Debt, It Opens Oil and Gas Fields to Foreigners

(Continued from first finance page)

possible for a country like Algeria to contain itself with a recovery level of 22 percent."

The government warned: "If we do not improve the recovery rate from fields in production will drop to 25 million tons per year at the end of the century."

Officials say a one percent improvement of recovery at the Hassi Messaoud field, Algeria's biggest, would mean an extra 392 million barrels a year. The field now provides half of the country's 800,000 barrel a day production.

Algeria, a member of the Organization of Petroleum Exporting Countries, is also eager to use the

power provided by the quality of its oil to increase world prices.

Mr. Laoussine said in an interview in London last month: "We shouldn't shy away from using that

Algeria is eager for an increase in world oil prices.

power to defend our prices. It is a tool in our hands. If tomorrow prices are allowed to fall."

Next year, according to the National Plan submitted to the Assembly, Algeria estimates its foreign earnings from oil and gas at \$11.45 billion.

Last year, Algeria exported 17.2 billion cubic meters of liquefied natural gas and 12.2 billion cubic meters of natural gas. The government wants to boost export capacity to between 60 billion and 80 billion cubic meters a year.

Last year Algerian mines produced \$45 million in exports, including iron ore, zinc, phosphates and lead.

The government insisted investment conditions must be made favorable enough to attract foreigners in an increasingly competitive world oil climate.

Senior Western oil industry executives, warning Gulf oil producers recently, said new opportunities for exploration and investment, particularly in the Soviet Union, could

take foreign investment to areas where the rewards were greatest. But some experts expect benefits to come late next year.

"The serious companies will wait for the election," an expert said. "A new parliament is not likely to be in place by March."

Algeria's first multiparty general election is due on Dec. 26 with a second round in January.

Originally set for June, the election was delayed by clashes between security forces and Islamic fundamentalists demanding an Islamic state.

## BUSINESS BRIEFS

### Thyssen and Elf in Bid for Minol

BONN (Reuters) — Thyssen AG, the German engineering company, said Sunday that a group comprising Thyssen Handelsgesellschaft AG, Deutsche SB-Kauf, a Swiss-German venture, and Societe Nationale Elf Aquitaine of France had filed the bidding for Minol, the former gasoline monopoly for East Germany.

Der Spiegel magazine said in an article published Monday that the consortium was ready to invest more than 5 billion Deutsche marks (\$3 billion) in Minol's gas stations and the related refining and petrochemical facilities of Leuna-Werke.

### Taiwan to Let Currency Appreciate

TAIPEI (AFP) — Authorities here will allow the Taiwan dollar to continue appreciating to head off charges the government controls the exchange rate market, a Central Bank official said Sunday.

Business leaders say the appreciation has seriously hurt manufacturing and exporters and they have called for lower interest rates to help push the local currency down. But experts say lower interest rates would have no direct influence in alleviating the Taiwan dollar's appreciation, which is caused by the growing trade surplus and foreign exchange reserves.

### Drop in Japan GNP Put at 0.2% Rate

TOKYO (BNN) — The Japanese economy is likely to have contracted 0.2 percent during the July-September period on a year-to-year basis, the Nikkei Keizai newspaper said Sunday, citing a report released by Japan Center for Economic Research.

Japan's business leaders are calling for another discount rate cut to stimulate the economy. Kojo Watanabe, minister of international trade and industry, hinted at the need for another cut if the current economic slowdown continues, media reports said.

### Hard-Pressed GM Cancels Bonuses

DETROIT (NYT) — General Motors Corp., pleading hard times after reporting a \$2.2 billion loss for the first nine months of the year, said it was canceling a \$600 Christmas bonus it had planned to give each of more than 107,000 salaried workers.

### Hyundai Starts Paying Tax Penalty

SEOUL (AFP) — The beleaguered Hyundai group has paid the first installment of its record \$136.1 billion won (\$180 million) levy in back taxes and penalty charges to the South Korean government, the Korea Times newspaper reported Sunday. The group on Saturday paid more than a third of the amount to the Office of National Tax Administration.

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# MONDAY SPORTS

## Fernández-Ochoa Wins 2d Slalom Race

Compiled by Our Staff From Dispatches  
LECH-AM-ARBERG, Austria—Blanca Fernández-Ochoa of Spain edged veteran Swiss and Austrian rivals on Sunday to win the season's second World Cup women's slalom.

Fernández-Ochoa had the fastest time in the first run, clearing the 51 gates in 41.55 seconds. She was second over the 52-gate second run in 45.14 for a total of 1 minute, 26.69 seconds.

In second place was Vreni Schneider of Switzerland, who was seeking a second victory in two days. She won the first women's season-opener, a slalom, when she came back from eighth place on Saturday.

Schneider was again eighth after

the first run on Sunday and was timed fastest for the second at 44.55 but was short of victory with a total of 1:27.11.

Petra Kronberger of Austria, edged out by Schneider on Saturday, was third at 1:27.59. Pernilla Wiberg of Sweden was a surprising fourth, at 1:28.19.

Fernández-Ochoa, who placed third in the race Saturday, plans to retire after this season. She said the race Sunday that her decision to quit was calming her.

"I feel completely unconcerned now," said the 28-year-old native of Madrid.

It was her fourth World Cup victory in 10 years of competition that resulted in her share of injuries. Fernández-Ochoa was out of

competition for 30 months during the 1989-90 season because of a shoulder injury. The victory on Sunday was only her second since 1987.

On Saturday, Schneider completed a total time of 1:27.84, with Kronberger at 1:27.92. Fernández-Ochoa was only one-hundredth of a second behind Kronberger, finishing in 1:27.93. Claudia Strobl of Austria was fourth in 1:27.99.

Schneider remains the World Cup leader with 180 points. Fernández-Ochoa is second at 160 points, and Kronberger, third with 140 points.

In Breckenridge, Colorado, Paul Accola of Switzerland defeated Alberto Tomba of Italy for the second straight day, winning a men's World Cup slalom on Saturday and

pulling abreast of Tomba in the overall standings.

Accola, the winner of a giant slalom on Friday, after finishing runner-up to Tomba in two seasons opening races the previous weekend, charged from 39 seconds off the pace after the first run to overtake Tomba, who had problems on the upper portion of his second run. Accola had a mistake-free second run of 53.00 seconds for a combined time of 1:43.92 seconds.

Tomba, with a second run of 52.68, fell into a tie for second place with Tomas Fogdöe of Sweden at 1:44.21. Finn Christian Jagge of Norway was fourth at 1:44.33.

Accola's victory put him into a tie with Tomba for the World Cup standings lead with 360 points. (AP, WP)

## U.S. Skier Terzian Rebuilding UNLV Upsets No. 9 LSU

Hurts Other Knee

The Associated Press

BRECKENRIDGE, Colorado—Kris Terzian of the United States, attempting a comeback from an operation on her right knee that wiped out her 1991 season, injured her left knee Saturday in the women's World Cup slalom.

Terzian was examined in Lech-AM-ARBERG, Austria by a team physician, who recommended that she return to the United States to be examined further by surgeon Richard Steinman in Vail, Colorado.

Terzian, 24, of Salt Lake City, tore the anterior cruciate ligament and damaged cartilage in her right knee while training in Switzerland Oct. 17, 1990. The previous season, she scored points in 17 World Cup races—a record for the U.S. team.

Compiled by Our Staff From Dispatches

UNLV's home opener against No. 9 Louisiana State figured to be dominated by a 7-footer. It just didn't figure to be Elmore Spencer.

Spencer held off fellow 7-footer (2.13-meter) Shaquille O'Neal as the unranked University of Nevada-Las Vegas broke open the game en route to a 76-55 upset of LSU.

Spencer had a career-high 20 points, 12 in the second half, and 12 rebounds as the revamped "Runin' Rebels" opened the home portion of Jerry Tarkanian's final season as coach on a positive note.

O'Neal scored 26 points but had only seven rebounds and was ineffective playing much of the second half with three fouls.

UNLV, which replaced all five

starters from the team that lost only once last season, is banned from postseason NCAA play.

No. 1 Duke 118, Harvard 65; Thomas Hill and Grant Hill scored.

COLLEGE BASKETBALL

17 points each to lead Duke, the defending NCAA champion, in Durham, North Carolina.

No. 4 UCLA 68, Long Beach State 57; Tracy Murray scored 21 of his 24 points in the first half as UCLA took control en route to victory in Los Angeles.

No. 5 Ohio State 116, Chicago State 44; Jim Jackson scored 30 points to lead Ohio State, playing at home, in its most lopsided victory ever. The winning margin was one point better than the 1960 71-

point, 109-38 rout of Delaware.

No. 6 North Carolina 96, Towson State 88; Hubert Davis scored 21 points and Derrick Phelps 20, and the Tar Heels used a 13-2 spurt in the second half in Chapel Hill, North Carolina.

No. 8 St. John's 81, Drexel 61; Malik Sealy scored 21 points to lead the Redmen to their 17th straight title in the Joe Lapchick Memorial tournament in New York City. They have won the tournament, named after the former St. John's coach, every year since it began.

No. 10 Indiana 97, Butler 73; In Bloomington, Indiana, Calbert Cheaney scored 19 points for Indiana. Butler has not defeated Indiana since 1959. (AP, UP)

## SCOREBOARD

### NBA Standings

#### EASTERN CONFERENCE

##### Atlantic Division

Team	W	L	Pct	GB
New York	10	6	.443	0
Orlando	9	7	.429	1
Philadelphia	7	9	.438	3
Washington	6	10	.385	4
New Jersey	3	13	.200	7

##### Central Division

Team	W	L	Pct	GB
Chicago	12	4	.556	0
Cleveland	10	6	.444	1
Atlanta	8	8	.500	2
Charlotte	7	9	.438	3
Indiana	6	10	.385	4
Chicago	4	12	.250	6

#### WESTERN CONFERENCE

##### Midwest Division

Team	W	L	Pct	GB
San Antonio	10	6	.443	0
Houston	9	7	.429	1
Utah	7	9	.438	3
Dallas	6	10	.385	4
Denver	7	9	.438	3
Minnesota	3	13	.200	7

##### Pacific Division

Team	W	L	Pct	GB
L.A. Lakers	11	5	.519	0
Golden State	9	7	.443	1
Portland	8	8	.500	2
Seattle	7	9	.438	3
Phoenix	6	10	.385	4
L.A. Clippers	5	11	.313	5
Sacramento	3	13	.200	7

### FRIDAY'S RESULTS

#### Atlantic Division

Orlando 87, New York 82	Philadelphia 87, Washington 82
New Jersey 87, New York 82	Philadelphia 87, Washington 82

#### Central Division

Chicago 87, Cleveland 82	Atlanta 87, Charlotte 82
Indiana 87, Chicago 82	Atlanta 87, Charlotte 82

#### West Division

San Antonio 87, Houston 82	Utah 87, Dallas 82
Denver 87, Minnesota 82	Utah 87, Dallas 82

#### Pacific Division

L.A. Lakers 87, Golden State 82	Portland 87, Seattle 82
Phoenix 87, L.A. Clippers 82	Sacramento 87, L.A. Clippers 82

### Major College Scores

#### FRIDAY'S RESULTS

##### East

Connecticut 77, Yale 55	Yale 55, Connecticut 77
Yale 55, Connecticut 77	Yale 55, Connecticut 77

##### South

Alabama 77, Mississippi 55	Mississippi 55, Alabama 77
Mississippi 55, Alabama 77	Mississippi 55, Alabama 77

##### West

Utah 77, Colorado 55	Colorado 55, Utah 77
Colorado 55, Utah 77	Colorado 55, Utah 77

### Major College Scores

#### FRIDAY'S RESULTS

##### East

Connecticut 77, Yale 55	Yale 55, Connecticut 77
Yale 55, Connecticut 77	Yale 55, Connecticut 77

##### South

Alabama 77, Mississippi 55	Mississippi 55, Alabama 77
Mississippi 55, Alabama 77	Mississippi 55, Alabama 77

##### West

Utah 77, Colorado 55	Colorado 55, Utah 77
Colorado 55, Utah 77	Colorado 55, Utah 77

### Major College Scores

#### FRIDAY'S RESULTS

##### East

Connecticut 77, Yale 55	Yale 55, Connecticut 77
Yale 55, Connecticut 77	Yale 55, Connecticut 77

##### South

Alabama 77, Mississippi 55	Mississippi 55, Alabama 77
Mississippi 55, Alabama 77	Mississippi 55, Alabama 77

##### West

Utah 77, Colorado 55	Colorado 55, Utah 77
Colorado 55, Utah 77	Colorado 55, Utah 77

### Major College Scores

#### FRIDAY'S RESULTS

##### East

Connecticut 77, Yale 55	Yale 55, Connecticut 77
Yale 55, Connecticut 77	Yale 55, Connecticut 77

##### South

Alabama 77, Mississippi 55	Mississippi 55, Alabama 77
Mississippi 55, Alabama 77	Mississippi 55, Alabama 77

##### West

Utah 77, Colorado 55	Colorado 55, Utah 77
Colorado 55, Utah 77	Colorado 55, Utah 77

### Major College Scores

#### FRIDAY'S RESULTS

##### East

Connecticut 77, Yale 55	Yale 55, Connecticut 77
Yale 55, Connecticut 77	Yale 55, Connecticut 77

##### South

Alabama 77, Mississippi 55	Mississippi 55, Alabama 77
Mississippi 55, Alabama 77	Mississippi 55, Alabama 77

##### West

Utah 77, Colorado 55	Colorado 55, Utah 77
Colorado 55, Utah 77	Colorado 55, Utah 77

### Major College Scores

#### FRIDAY'S RESULTS

##### East

Connecticut 77, Yale 55	Yale 55, Connecticut 77
Yale 55, Connecticut 77	Yale 55, Connecticut 77

##### South

Alabama 77, Mississippi 55	Mississippi 55, Alabama 77
Mississippi 55, Alabama 77	Mississippi 55, Alabama 77

##### West

Utah 77, Colorado 55	Colorado 55, Utah 77
Colorado 55, Utah 77	Colorado 55, Utah 77

### Major College Scores

#### FRIDAY'S RESULTS

##### East

Connecticut 77, Yale 55	Yale 55, Connecticut 77
Yale 55, Connecticut 77	Yale 55, Connecticut 77

##### South

Alabama 77, Mississippi 55	Mississippi 55, Alabama 77
Mississippi 55, Alabama 77	Mississippi 55, Alabama 77

##### West

Utah 77, Colorado 55	Colorado 55, Utah 77
Colorado 55, Utah 77	Colorado 55, Utah 77

### Major College Scores

#### FRIDAY'S RESULTS

##### East

Connecticut 77, Yale 55	Yale 55, Connecticut 77
Yale 55, Connecticut 77	Yale 55, Connecticut 77

##### South

Alabama 77, Mississippi 55	Mississippi 55, Alabama 77
Mississippi 55, Alabama 77	Mississippi 55, Alabama 77

##### West

Utah 77, Colorado 55	Colorado 55, Utah 77
Colorado 55, Utah 77	Colorado 55, Utah 77

### Major College Scores

#### FRIDAY'S RESULTS

##### East

Connecticut 77, Yale 55	Yale 55, Connecticut 77
Yale 55, Connecticut 77	Yale 55, Connecticut 77

##### South

Alabama 77, Mississippi 55	Mississippi 55, Alabama 77
Mississippi 55, Alabama 77	Mississippi 55, Alabama 77

##### West

Utah 77, Colorado 55	Colorado 55, Utah 77
Colorado 55, Utah 77	Colorado 55, Utah 77

### Major College Scores

#### FRIDAY'S RESULTS

##### East

Connecticut 77, Yale 55	Yale 55, Connecticut 77
Yale 55, Connecticut 77	Yale 55, Connecticut 77

##### South

Alabama 77, Mississippi 55	Mississippi 55, Alabama 77
Mississippi 55, Alabama 77	Mississippi 55, Alabama 77

##### West

Utah 77, Colorado 55	Colorado 55, Utah 77
Colorado 55, Utah 77	Colorado 55, Utah 77

### Major College Scores

#### FRIDAY'S RESULTS

##### East

Connecticut 77, Yale 55	Yale 55, Connecticut 77
Yale 55, Connecticut 77	Yale 55, Connecticut 77

##### South

Alabama 77, Mississippi 55	Mississippi 55, Alabama 77
Mississippi 55, Alabama 77	Mississippi 55, Alabama 77

##### West

Utah 77, Colorado 55	Colorado 55, Utah 77
Colorado 55, Utah 77	Colorado 55, Utah 77

### Major College Scores

#### FRIDAY'S RESULTS

##### East

Connecticut 77, Yale 55	Yale 55, Connecticut 77
Yale 55, Connecticut 77	Yale 55, Connecticut 77

##### South

Alabama 77, Mississippi 55	Mississippi 55, Alabama 77
Mississippi 55, Alabama 77	Mississippi 55, Alabama 77

##### West

Utah 77, Colorado 55	Colorado 55, Utah 77
Colorado 55, Utah 77	Colorado 55, Utah 77

### Major College Scores

#### FRIDAY'S RESULTS

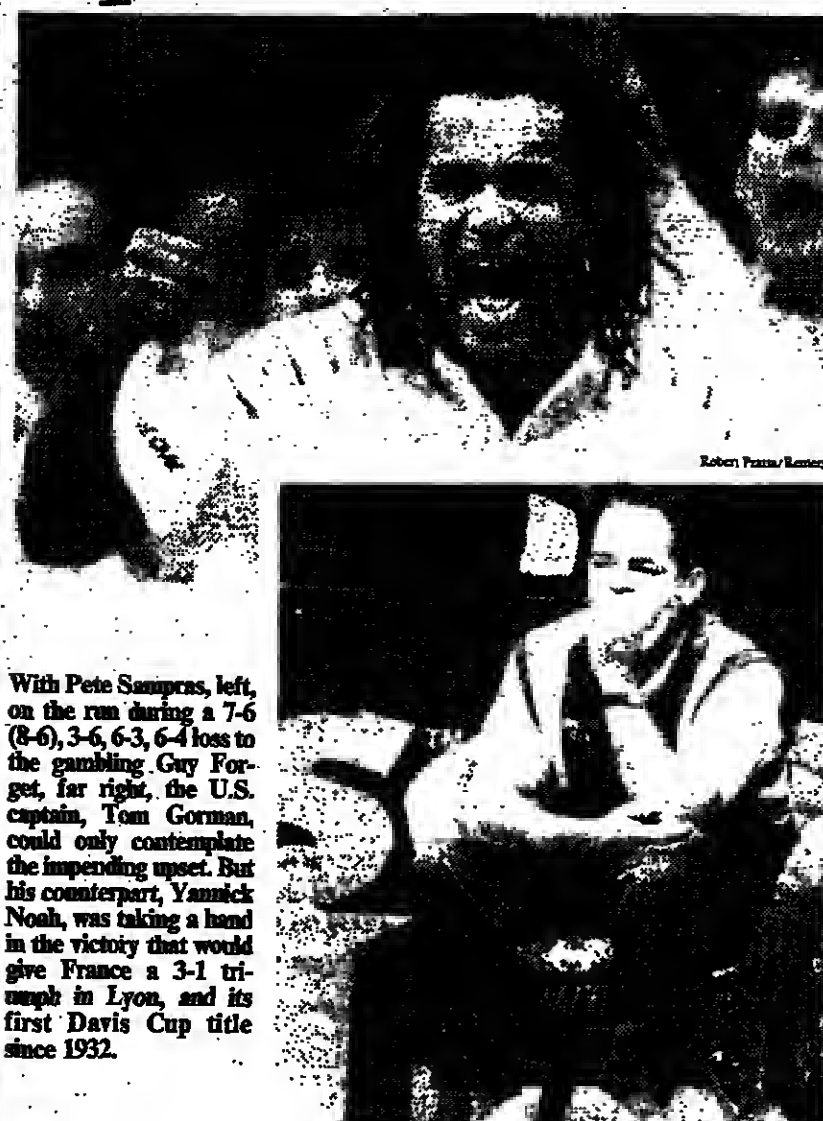
##### East

Connecticut 77, Yale 55	Yale 55, Connecticut 77
Yale 55, Connecticut 77	Yale 55, Connecticut 77



## MONDAY SPORTS

## Forget Stuns Sampras and France Has Major Davis Cup Upset



With Pete Sampras, left, on the run during a 7-6 (8-6), 3-6, 6-3, 6-4 loss to the gamblers Guy Forget, far right, the U.S. captain, Tom Gorman, could only contemplate the impending upset. But his counterpart, Yannick Noah, was taking a hand in the victory that would give France a 3-1 triumph in Lyon, and its first Davis Cup title since 1932.

By Sandra Bailey  
International Herald Tribune

LYON — It started with Guy Forget standing on the service line Sunday in the fourth set, a 5-4 lead in hand and the first point of the game won.

"Trois, trois, trois," the 8,000 voices in the Palais des Sports de Gerland called, and the hands went up, waving three fingers: The number of points needed to bring France its first Davis Cup since 1932.

But Forget promptly dropped three points and Pete Sampras stood poised for a break and another chance for the defending champion United States, which came into this competition on Friday expected to romp over the French. So Forget steadied himself, pulled to deuce and the cries came again: "Deux, deux."

What better response than an ace — his 17th of the match — and the cry returned, "Une, une, une."

There would be no more delays. A forehand putaway was the last shot in the 7-6 (8-6), 3-6, 6-3, 6-4 victory that completed the 3-1 triumph for France, but it was not the lasting memory of this day.

What followed was raw emotion, as Forget threw himself on the court, was embraced by his captain, Yannick Noah, then the rest of his teammates, then looked up with tears streaming down his face and blew a kiss into the delirium, followed by the ball and his shirt. It grew wilder, as the players lifted first Forget, then the hero of Friday and Saturday, the No. 159-ranked Henri Leconte, whose rebirth after his third back operation was the storyline of the Cup.

The final man hoisted on their shoulders was Noah, the spiritual as well as physical leader of a team that pulled off one of the highest upsets in Davis Cup history.

"It was the victory of the team, and of friends," said Forget, "and of the whole country."

France had not won the Cup since the days of the Four Musketeers — Jean Borotra, René Lacoste, Jacques Brugnon, Henri Cochet — who got their team to nine straight finals between 1925 and 1933. France's last Cup victory came against the United States, in 1932.

And the last time France even appeared in a final was in losing to the United States in Grenoble in 1982, when both Leconte and Noah were on the squad. "I wanted so bad to win it then," Leconte said. So he celebrated enough Sunday for at least two Cups, with one of the Musketeers, Borotra, looking on. Lacoste, the only other one living, designed Forget's racket but did not make the trip here from his home in the south of France.

There were victory laps around the court for first Leconte, then Forget and Leconte together, French flag waving overhead. Then they took the victory lap that brought down the house, with Noah leading the crowd in an acapella version of "Sage Africa," the single off his album "Black and What!" and the theme song of the French team.

It has sounded in French locker rooms throughout their march here, with victories over Israel, Australia and Yugoslavia, and as Noah sang this time, he led the team in a joyous dance and the crowd danced, too, until the bleachers shook.

"It's a dream come true, under your own eyes," said Noah. And a nightmare for the U.S. team, which was part of one of the other great Davis Cup upsets, a 1984 loss to Sweden.

"I feel like I let my country down," said Sampras, who came in as the world's No. 6 player and

fresh off winning the ATP championship in Frankfurt.

Both Sampras and Forget pointed to the same turning point, when in the tie breaker Sampras held a 6-5 lead and ceded only to win a point to take the set. Forget served then and it was an ace — on his second serve. He went on to take the set two points later.

"I was pumping myself up pretty good and after that, I was disappointed," Sampras said. "If I could have pulled it out, it might have set the tone for the match and for the crowd."

The crowd could have been listed as an extra player on the French team, so much did its chanting, rhythmic clapping and flag waving charge the atmosphere. And as the match wore on and smoke began to obscure the air, the feeling was unlike any the Americans had felt before.

"I didn't know what to expect," said Sampras, a Davis Cup rookie who lost both his singles matches.

"I don't think the American team realized how much Davis Cup meant to the people of France," Forget said. "We have the soccer World Cup, the Tour de France and Davis Cup. In America, they have 10 things more important."

If Sunday's match had a chance to turn after the first set, it was in the ninth game of the third set, when Sampras saw four break points vanish. At 5-3 and 15-40, Forget served first one ace, then an unbelievable second-serve ace for deuce.

"It was a very gutsy move," Sampras said. "I couldn't believe he did it."

"I think Yannick helped me a lot; he gave me this taste for risking things," Forget said.

Even so, Sampras took the advantage by clipping an unplayable shot to Forget's backhand. But Forget saved the off by jamming Sampras's backhand and forcing him to net his return. Sampras's final advantage came when he backhanded a service return just on the sideline, but a service winner and an ace finished the set and Sampras's last chance.

Tom Gorman, the U.S. captain, did not question his choice of Sampras for the weekend match, or of putting in Ken Flach and Robert Seguso to play doubles after an absence since the semifinal loss to Germany in 1989. Flach and Seguso were defeated by Leconte and Forget, 6-1, 6-4, 4-6, 6-2, on Saturday.

"I thought if Pete just played 75 percent of what he had been doing, we'd come through," Gorman said. "But we didn't know about Leconte. And he's the man. He was great."

To be sure, Leconte was the greater part of the doubles victory, making Forget's emotional catharsis Sunday all the more sweet. Saturday, Noah was calling Leconte's play "spectacular" and commending Forget for being "steady." The main question for Forget was how it felt to be partnered with someone "playing on a cloud."

"People forget that Henri was once one of the 10 best players in the world," said Forget, although since back surgery in 1989 his teammates have more often dwelt below No. 100 and was out of choice for this squad until early last week.

For Noah, as for the original Musketeers, it was all for one and no man more important than another. But despite the help of Fabrice Santoro, Arnaud Boetsch and Olivier Delaite at various points along the road here, it came down to two players, Forget and Leconte. And to the gut instincts of another, Noah.

"I knew Guy could beat anybody," said Noah, "and I knew Henri could beat anybody."

## Florida Hands State Second Straight Loss

The Associated Press

Florida has ended Florida State's slim hopes for a national championship and become a long-shot title contender itself.

The fifth-ranked Gators used a dominating defense to beat the No. 3 Seminoles, 14-9, on Saturday in Gainesville, ending a four-game losing streak against their intra-state rivals.

"It's been a long time coming," said defensive tackle Brad Culpepper, who helped the Gators limit Florida State to 37 rushing yards. "I'd rather beat them four years in

## COLLEGE FOOTBALL

a row, but I'm proud to be part of the team that stopped the streak."

It was the second straight defeat for Florida State (10-2), which lost its No. 1 ranking after falling to Miami two weeks ago. The Seminoles will close their season against Texas A&M in the Cotton Bowl.

"Being No. 1, we were targets all year. We might have run out of some juice at the end," said Florida State's quarterback, Casey Weldon. "I don't think we can even consider it a good season now with the expectations we had."

The victory was the eighth straight for Florida (10-1), the Southeastern Conference champion, which will meet No. 18 Notre Dame in the Sugar Bowl. The Gators need a victory over the Irish and bowl losses by top-ranked Miami and No. 2 Washington to have a shot at the national title.

Shane Matthews threw for 208 yards and one touchdown and Eric Rhett rushed for 109 yards and one touchdown for the Gators. But the Florida defense was the key, pressuring Weldon all day and shutting down the Seminoles' explosive offense.

No. 1 Miami 39, San Diego St. 12: Gino Torretta threw for 485 yards, a school record, and four touchdowns as the Hurricanes (11-0) got a convincing victory in Miami that made it almost certain they will retain the top spot going into their Orange Bowl game against Nebraska on New Year's night.

Washington (11-0), which will play No. 4 Michigan in the Rose Bowl, trailed Miami by 15 first-place votes last week.

A bright spot for the Aztecs (8-3-1) was Marshall Faulk, who became the first freshman to win the NCAA rushing title. He gained 154 yards on 27 carries to finish the season with 1,429 yards in nine games.

No. 8 Alabama 13, Auburn 6: Freshman David Palmer's running and receiving helped Alabama beat Auburn in Birmingham and saddle the Tigers (5-6) with their first losing season since 1981. Alabama

## U.S. Gets Lucky, Tops Norway, 2-1, For Soccer Title

By Barbara Basler  
New York Times Service

GUANGZHOU, China — The United States won its first international soccer championship Saturday night as forward Michelle Akers-Stahl scored both goals to beat Norway, 2-1, in the first World Cup tournament for women.

Amid a huge shower of fireworks, with a Chinese pop song blaring from stadium loudspeakers, the 18 jubilant Americans received their championship medals and big bouquets of flowers, as friends and parents in the stands cheered hoarsely and waved small American flags.

A crowd of 65,000 packed Tianhe Stadium in this sprawling southern China city for the final, cheering both teams and even trying to perfect the wave.

They saw an evenly played first half, in which each side scored once. The Norwegians largely controlled the second half, until two minutes before the end of the match.

Then Akers-Stahl stole a weak pass back to the Norwegian goalie by defender Tina Svensson — an incredible lapse for a world-class player — dodged around goalie Ragnid Seth and pushed the game-winning ball into the net.

"Norway had the run of play and we got the break," said the U.S. coach, Anson Dorrance. "I consider my team an excited but certainly very lucky world champion."

But Dorrance added, "I feel what we've done here is proof to the world we are a developing soccer nation."

## SIDELINES

## Giants' Mitchell Accused of Rape

CHULA VISTA, California (AP) — Kevin Mitchell, the San Francisco Giants' outfielder, has been arrested and booked for investigation of rape, battery and false imprisonment, authorities said.

Mitchell, a 30-year-old former All-Star, posted bail Saturday night and was released pending a hearing.

Police said that a woman acquainted with Mitchell reported that she had been raped at the player's home in Chula Vista.

## For the Record

Werder Bremen beat Bayern Munich, 4-3, in a German first division soccer match Saturday night for Bremen's first victory in Munich since 1968.

Alex Wyllie, the subject of widespread criticism since the World Cup, said Saturday he is quitting as New Zealand's rugby coach.

The Soviet Union won the men's World Cup volleyball tournament in Tokyo Sunday with a better set average after it tied Cuba and the United States with a 4-1 record.

George Perles, forced to choose between the jobs of athletic director and football coach at Michigan State, said he will continue coaching at least until his contract expires after the 1997 season.

Lue Longley, the 7-foot, 2-inch Australian who was the Minnesota Timberwolves' first-round draft pick, made his NBA debut Saturday night and missed two shots entirely, threw away a pass and was called for a foul in the four minutes he played during the 79-78 loss to the Dallas Mavericks. He said: "It gets better from here, guaranteed."

## Bills Clinch AFC East Title With 24-13 Victory Over Jets

The Associated Press

The Buffalo Bills won their 17th straight home game and their fourth straight American Football Conference East title on Sunday with a 24-13 victory over the New York Jets on Sunday in Orchard Park, New York.

Buffalo (11-3) took another step toward ensuring home-field advantage in conference playoffs by turning three New York turnovers into 17 points in dropping the Jets, who still have wild card hopes, to 7-6.

Jim Kelly, who finished 21-for-38 for 251 yards, threw touchdown passes to Andre Reed and James Lofton. Ken Davis ran for a 3-yard score and Scott Norwood connected on a 31-yard field goal as the Bills overcame two fumbles and two interceptions.

The Jets scored on a 3-yard run by Brad Baxter and Pat Leahy's field goals of 19 and 23 yards.

Thurman Thomas finished with 124 yards on 23 carries yards and Buffalo's Bruce Smith, last year's Defensive Player of the Year, made a successful return from preseason knee surgery with a sack and four tackles.

New York was in the game until late in the fourth quarter when, trailing 17-13 and driving deep in Buffalo territory, Ron Moore fumbled and Mark Kelso recovered at the Bills' 7. Kelly then moved the Bills on one of their few successful drives of the game, finding Lofton for a 27-yard score that clinched the victory.

Dolphins 33, Bucs 14: Mark Higgs replaced a fumble-plagued

Sammy Smith and rushed for 131 yards in 25 carries to lead Miami past Tampa Bay in Miami. The Dolphins (7-6) improved their chances at an AFC wild-card berth and surmounted the 500 mark for the first time this season. Tampa Bay fell to 2-11.

Higgs, who started Miami's first six games when Smith was hurt, regained the job after Smith lost three fumbles near the opposing goal line in the past five games.

Higgs lost a fumble on his third carry Sunday, but he bounced back to gain 103 yards in the first half and spark a 24-point second quar-

## NFL ROUNDUP

ter that gave Miami a 24-7 halftime lead. Higgs' 100-yard effort was the first for the Dolphins since he reached that milestone in each of the season's first two games.

The Dolphins scored on six consecutive possessions and totaled a season-high 468 yards to cruise to their most lopsided victory of the year.

Falcons 31, Packers 31: Chris Miller, getting off a sick bed at halftime, completed a 16-yard touchdown pass to Andre Rison with 41 seconds remaining to give the Atlanta the home victory.

Atlanta's game-winning touchdown came from a break. Green Bay's punter, Paul McJulien, bobbled a snap and was forced to keep the ball, running out of bounds on his 41, well short of a first down.

After being sacked on first down,

Miller completed a 10-yard pass to Mike Pritchard and a 21-yarder to Rison before hitting for the game winner.

With Mike Tomczak passing for three touchdowns, two to Sterling Sharpe, the Packers had taken a 31-28 lead on Chris Jack's 27-yard field goal with 3:21 remaining. The Falcons then drove from their 22 to the Green Bay 27 where Norm Johnson was lined up to try to extend his string of 13 consecutive field goals.

Two consecutive false starts by Oliver Barnett and Chris Hinton set Atlanta back 10 yards, putting Johnson out of range.

Atlanta then tried a desperation pass on fourth-and-16, but Miller's attempt fell incomplete.

Green Bay (3-10) had a 14-point lead twice in the game before blowing it in a hurry in the fourth quarter.

The Falcons (8-5) struck for two touchdowns in 11 seconds to erase a 28-14 deficit early in the final period.

Browns 31, Colts 0: Kevin Mack caught a touchdown pass and ran 51 yards for another touchdown as Cleveland scored after each of four turnovers by Indianapolis.

Cleveland (6-7) put the game away with four straight touchdowns in the second quarter against the error-plagued Colts (1-12) in Indianapolis.

Mack rushed for 69 yards and Joe Morris ran for 68. Bernie Kosar was 18 of 23 for 189 yards and the touchdown pass to Mack.

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Escort Service, Days and evenings,  
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